

The sources disagreed over whether Mr. Meese had said it. One official was David Kimche, director general of the Israeli Foreign Ministry. One congressional source said that Justice Department officials had said Mr. Meese had identified Mr. Kimche, but another congressional source said Mr. Meese had recollected only that an unnamed Israeli official was involved.

When Mr. Kimche was asked about the testimony in a telephone interview Monday, he said:

"The whole thing is ridiculous. I don't know what Mr. Meese said. I know that what Oliver North testified about, that he was an unmitigated liar. In 1984, Congress banned direct

See DIVEY, Page 2

**WASHINGTON** — The Defense Department has asked Congress for money to speed research on a huge new space vehicle that the Pentagon says will be needed to lift heavy objects into orbit for the Strategic Defense Initiative missile defense program.

The program, on which \$110 million would be spent for research in the next several months, was introduced Monday as part of a request for \$2.8 billion beyond what Congress provided for the military in the current fiscal year.

Major new programs are rarely begun through such a supplemental budget request, and some budget analysts said that in the current

For some time now, Mr. Arafat's supporters in the PLO, plus other nations, have been slipping men

See ASSAD, Page 2



— *Oliver Tambo,*  
*ANC president*

Working here a year ago.  
Now and about 100,000.



Working here a year ago.  
Now and about 100,000.



— *Oliver Tambo,*  
*ANC president*

**Reviewers**

**LONDON** — Leaders from across the political spectrum mourned Tuesday the death of former Prime Minister Harold Macmillan.

Mr. Macmillan, who became the Earl of Stockton two years ago, died Monday in his sleep at his country home in Sussex. He was 92.

Lord Home, who took over as prime minister when Mr. Macmillan retired because of ill health in 1963, said "he was a master of the House of Commons from the moment he became prime minister. That was a very considerable political achievement."

In his later years, Mr. Macmillan disclosed that President John F. Kennedy had telephoned him as often as three times a day during the Cuban missile crisis in 1962.

"He established a position with the United States president, then Jack Kennedy, which was almost a paternal relationship," Lord Home said. "Kennedy appreciated this very much."

The Lusaka-based African National Congress paid tribute to Mr. Macmillan, saying he would be remembered for his efforts to get South Africa to bow to change.

In a telegram addressed to Prime Minister Margaret Thatcher, the ANC, fighting a guerrilla war to overthrow the white-ruled government in Pretoria, said that news of Mr. Macmillan's death had been received with sadness.

"We shall always remember him for his efforts to encourage the apartheid regime to bow to the winds of change that continue to blow in southern Africa," the telegram said. "We have still to reap the full harvest of Pretoria's failure to heed that message."

The ANC message was signed by

**SEE TRIBUTE, Page 2**



# Macmillan's Britain: Seeking a Compromise Between the Dinosaur and the Bee

New York Times Service

As the cool, adaptable Conservative prime minister of Britain, Harold Macmillan, a book-publishing heir who was educated at Eton and Oxford, was largely engaged in helping Britain adapt to its changing role in the world and to its reduced military, economic and diplomatic power. He was philosophical about the need for change.

"The dinosaur was the largest beast," he once told a visitor, "but it was inefficient and therefore disappeared. The bee is efficient, but it is too small to have much influence. The British Empire was a dinosaur and didn't last. Britain's most useful role is somewhere between bee and dinosaur."

His goals as prime minister were summed up in 1976 by a fellow Conservative, Prime Minister Margaret Thatcher. He tried to lead Britain, she said, toward being a responsible society in contemporary terms.

In recognizing and acting on the need for flexibility, Mr. Macmillan was helped by his keen mind, by his upper-crust demeanor, which was reassuring to traditionalists, and by his skill at compromise, as finding middle ground. He often called his policies "the middle way," and his appeal was to the political center.

Like millions of others of his generation, Mr. Macmillan as a young man learned to accept and endure the buffings of history. He had a privileged youth in the halcyon days of the British upper classes before World War I. He then spent four years as an army officer and saw the old European order dissolve.

He was wounded three times in the war and earned a reputation as one of the bravest officers in the British Army's five Guards regiments. Once, felled by a pelvis wound, he lay for a day in the no-man's land between the opposing armies.

He survived, finished brilliantly at Oxford after the war, and, in 1919, began his long public career, in an overseas post, as aide to the governor general of Canada.

Four decades later, Mr. Macmillan's work as prime minister lay largely in adapting to a lesser role for Britain in sensitive areas overseas. He accepted Egyptian control of the Suez Canal after the abortive British-French-Israeli attack on Egypt in 1956 while he was chancellor of the Exchequer.

He went along with U.S. policy in Europe and the Far East. He was obliged to abide by France's early veto of Britain as a member of the European Community, although this hurt him deeply because he had long been a friend of Charles de Gaulle, then the French president.

But mounting problems in Britain, including a security scandal involving his secretary of state for war, John Profumo, led him to resign in October 1963, when he was suffering from a prostate ailment.

During his years in public life, Mr. Macmillan also recognized the need to pull up the last British stakes in Africa so that former colonies could become independent. He understood the force of African nationalism, and he urged Britons to reconcile themselves to it.

"The wind of change is blowing through the continent," he said in 1960, coming a phrase that came to be widely used.

Mr. Macmillan tried to function as what he, borrowing a 19th-century phrase, called an "honest broker" between Washington and Moscow. But his efforts were thwarted by the failure of the Paris summit talks of 1960 and by the Cuban missile crisis of 1962. In the negotiating for a nuclear test ban, however, he did play a significant, albeit limited, part.

Mr. Macmillan walked the world stage with the aplomb of an aristocrat, but his family's 19th-century roots were in fact somewhat modest. His Scottish grandfather, Daniel Macmillan, was a bookseller who opened a shop in the university town of Cambridge in 1843 and, in the following year, added a publishing operation, doing business under the name Macmillan & Co.

Maurice Crawford Macmillan, Daniel's son and the future prime minister's father, was a schoolmaster who took charge of the company's educational books.

Maurice Harold Macmillan was born in London on Feb. 10, 1894. The first name was seldom used in later years.

Mr. Macmillan's mother, who came to have a

strong influence on him, was the American-born Helen Belles Macmillan.

He turned out to be a bookish youth, but also became known as a witty speaker, and he went on to display that wit in the House of Commons and, much later, in the House of Lords.

His World War I service, from 1914 to 1918, was a searing experience. It was in 1916 in northern France, during the Battle of the Somme, that he suffered the pelvis wound. It left him with a shuffling gait for the rest of his life.

His army years also helped imbue him with a very real concern for ordinary Britons — what he called, in a 1984 speech, "the best men in the world."

In 1919, Mr. Macmillan was named an aide to the then governor general of Canada, the ninth Duke of Devonshire, the head of the immensely wealthy Cavendish family. Macmillan married a daughter of the duke, Lady Dorothy Evelyn Cavendish, in 1920.

Mr. Macmillan then went into publishing before making an initial, unsuccessful political bid in 1923 for a seat in the House of Commons from Stockton-on-Tees, an industrial town in the north of England. He was elected from Stockton in the following year.

From 1929 to 1931 he was out of Parliament, but he returned, again from Stockton, and was active in both politics and publishing.

Mr. Macmillan came to the attention of Winston Churchill, already a veteran Conservative cabinet member, whose lead he accepted in assisting the Nazi march into the Rhineland in 1936.

It was Churchill who brought Mr. Macmillan into the government, in the modest post of a

parliamentary secretary from 1940 to 1942. Mr. Macmillan then served briefly, in 1942, as an undersecretary in the Colonial Office.

The turning point in his career came in December 1942, when he was named resident minister in Algiers, where he displayed his diplomatic skill and administrative gifts in adroit dealings with the French, including de Gaulle.

Mr. Macmillan gained the confidence of General Dwight D. Eisenhower for his calmness in dealing with highly sensitive issues and with British-American problems that arose.

In 1943, Mr. Macmillan was appointed resident minister for the Central Mediterranean, a post in which he dealt with Italian problems for Churchill. His reward was being named secretary for air in 1945, his first full cabinet post.

Yet it was short-lived; he lost his seat in a Labor victory that year. Mr. Macmillan was briefly out of Parliament until he was elected, in 1945, from Bromley, Kent, a suburb of London, which he represented until 1964.

While the Conservatives were out of power and the Labor Party leader, Clement Attlee, was prime minister, Mr. Macmillan was put in the Conservatives' shadow cabinet as an expert on industrial policy and European unity. In 1951, Churchill became prime minister again and named him minister for housing.

From there, he went to head the Defense Ministry in 1954 and to the Foreign Office as foreign secretary in 1955, with Sir Anthony Eden as prime minister. But Sir Anthony wanted to exercise that function himself, and Mr. Macmillan moved on after nine months to another key post, chancellor of the Exchequer.

When Sir Anthony resigned in January 1957, Mr. Macmillan was chosen as prime minister.

At the time, Mr. Macmillan was regarded as a stopgap, someone to take hold until the crisis passed. It was a measure of his skill at handling people and policy that he remained prime minister for almost seven years.

When Mr. Macmillan took office, the British, French and Israelis had withdrawn their troops from Egypt, Suez, except as a debating point in the House of Commons, was receding from the political scene.

Nonetheless, relations with the United States had suffered when Washington declined to support the Suez venture, and one of his first tasks was to patch them up. So Mr. Macmillan and Eisenhower met in Bermuda to talk about the Middle East. Asked about the meeting, Mr. Macmillan said:

"What was it like? Why, very pleasant, very friendly, very encouraging, but not at all like an experience in the modern world. More like meeting George III at Brighton."

Thanks in part to rising prosperity in Britain, Mr. Macmillan led his party to a resounding victory in a general election in 1959 on the theme of "You've never had it so good."

Empire-mindedness, which had been a Conservative attitude for many years, diminished to a degree under Mr. Macmillan.

"The wind of change," which he discerned, was one that Britain learned to bend with after 1960, when Nigeria and other British holdings in Africa became independent nations while maintaining strong commercial ties with Britain.

Yet Mr. Macmillan suffered disappointments in being unable to throw the Cold War. He felt that some distance with the Soviet Union was possible, and to this end he favored a 1960 summit meeting in Paris between Eisenhower and the Soviet leader, Nikita S. Khrushchev. The session fell apart when an American U-2 spy plane was shot down in the Soviet Union.

Mr. Macmillan observed wryly: "It's no use crying over spilt summits."

After the Cuban missile crisis of 1962, Mr. Macmillan was helpful in negotiations for the partial nuclear test-ban treaty that was signed the following year.

It was around this time, however, that sensitive domestic problems arose in Britain. There was unemployment and a bitter winter. In addition to the security scandal embroiling Mr. Profumo, the secretary of state for war.

The scandal broke when Mr. Profumo first publicly denied, then admitted, having had an affair with Christine Keeler, a young Russian.

The national security aspect of the matter was that while Miss Keeler was seeing Profumo, she was also having an affair with Captain Yevgeny Ivanov, a naval attaché at the

Soviet Embassy in London. Mr. Profumo was obliged to step down from the government.

Mr. Macmillan, although not himself involved in the scandal, was blamed by many for not having kept a sharp enough eye on his associates. Then 70, he was suffering from an enlarged prostate gland. He resigned, and was succeeded by Sir Alec Douglas-Home.

Queen Elizabeth offered Mr. Macmillan an earl and the Order of the Garter, but he declined, saying privately that he did not want to detract from the office of prime minister, which he considered his greatest honor.

He returned to work in the management of the Macmillan publishing combine, finding time for shooting and fishing and to work on six volumes of stylish and readable memoirs: "Winds of Change," "The Blast of War," "Tides of Fortune," "Riding the Storm," "Pointing the Way" and "At the End of the Day."

In 1984, Mr. Macmillan, having changed his mind about becoming a lord, accepted the hereditary peerage and chose the title Earl of Stockton after his original parliamentary constituency, a shipbuilding and steel center.

In 1984, in his first speech in the House of Lords, he decried a coal miners' strike, then nine months old, which had led to violence on the picket lines, as "this terrible strike, by the best men in the world, who beat the Kaiser's and Hitler's armies and never gave in."

"It is pointless," he went on, "and we cannot afford that kind of thing."

In 1986, Nikolai Tolstoy contended in the book, "The Minister and the Massacre," that Mr. Macmillan, as minister in the Mediterranean, had doomed thousands of Yugoslavs and Russians by turning them over to Communists at the end of World War II.

Mr. Tolstoy said that, by so doing, Mr. Macmillan had violated a U.S. and British policy barring the handing over of refugees by force or without proper screening. Mr. Tolstoy contended that Mr. Macmillan had conceded to Communist demands for the Yugoslavs and Russians.

The same year, a kinsman, Viscount Macmillan, denied the Tolstoy assertion in a book published in London. Viscount Macmillan contended that, on the contrary, "The blame, if any, rests firmly on the shoulders of the signatories of the Yalta agreement."

He also argued that the book contained misleading evidence.

Lady Dorothy Macmillan died in 1966. Harold Macmillan, Earl of Stockton, is survived by two daughters, Lady Caroline Fisher and Lady Catherine Anson, 11 grandchildren and seven great-grandchildren.

## TRIBUTE: Leaders Across the Political Spectrum Mourn Macmillan

(Continued from Page 1)

the group's president, Oliver Tambo.

Lord Wilson, who as Harold Wilson led Labor Party governments in the 1960s and 1970s, paid his own tribute to the man he called "a very old sparring partner."

"When he was chancellor of the Exchequer and I was what used to be called shadow chancellor, it became a classical fight between us," Lord Wilson said. "But there was no feeling of hate or animosity."

Mrs. Thatcher said: "His reputation and standing as a statesman

gave him a leading role in the world. He also left Britain a stronger country than he found it."

Other tributes came from Queen Elizabeth; the opposition Labor Party leader, Neil Kinnock; the Archbishop of Canterbury, Robert Runcie; and a former Labor prime minister, James Callaghan.

Mr. Macmillan's family announced that his funeral would be held in private Monday.

In Brussels, the European Community Commission president, Jacques Delors, paid tribute to Mr. Macmillan for his personal in-

volvement in Britain's abortive early attempt to join the EC.

In a message to the British delegation to the EC, Mr. Delors said: "Mr. Macmillan, 'had personally involved himself in the construction of Europe.'"

"My colleagues and myself pay tribute to the memory of this eminent statesman," he said.

Mr. Macmillan sought British membership of the European Community during his tenure of office from 1957 to 1963, though this early attempt was vetoed by President Charles de Gaulle.

Joseph Luns, a former secretary-general of the North Atlantic Treaty Organization, described Mr. Macmillan as "a very distinguished statesman. He had great understanding, a sense of dry humor and he had perfect manners."

Mr. Luns, 75, who was foreign minister of the Netherlands from 1956 to 1971 and went on to be NATO secretary-general for 12 years, is one of the few surviving European politicians who spanned Mr. Macmillan's time as prime minister.

## French Rail Strike Talks Open After 2 Weeks

### Meeting Follows Holiday Chaos

By Richard Bernstein

PARIS — Negotiations began Tuesday between the French government and railroad workers in an effort to end a two-week strike that is embarrassing the conservative government of Prime Minister Jacques Chirac.

The strike, one of the worst in two decades, has created chaos among Christmas season travelers. It coincides with a three-week walkout by French dockworkers and seamen, and intermittent strikes by workers on the Paris Metro and bus system.

The government, pressed by public opinion, agreed Monday to resume talks with the rail strikers after a negotiating pause of more than a week.

It also suspended a salary and promotion program that was one of the chief issues in what began as a wildcat walkout by train engineers, François Lavandès was named government mediator in the talks.

Some train workers said Tuesday that the apparent concession was inadequate. They demanded that the salary program, which would stress merit in promotions rather than seniority, be withdrawn before the engineers return to work.

Later Tuesday, union officers walked out of the talks over the pay scale issue, but other representatives of the strikers continued negotiations.

"We are asking for the withdrawal of pure and simple, of the project," Georges Lanoue, a member of the Communist-controlled General Confederation of Labor, said Tuesday.

The train strike posed a dilemma for the Chirac government, which last month was forced to abandon an effort to change the university education system when students mounted huge protests against it.

The government is under pressure to avoid what is called a "social crisis," following the student unrest. At the same time, according to officials, it does not want to be perceived as giving in to the strikers' demands.

"You can't direct a modern enterprise with people who are advanced solely by seniority," Em-



François Lavandès discussed his role Tuesday.

manuel Edou, an official in the Transportation Ministry, said. "Merit and ability have to enter into it."

The plan has provoked a wave of distrust among train workers, however, who contend that the new system, which was to start Jan. 1, would be unfair.

"I don't want to get ahead by climbing over the backs of my buddies," said Gilles Noizer, a striking train engineer who normally works on suburban lines leading out of Paris.

The railroad strike began two weeks ago, without the participation of any of France's main labor unions, when train engineers, contacting one another by telephone, walked out to protest the proposed change in the pay scale.

The workers then created a "national coordination," with members elected from railroad centers across France, who, joined by the major unions, have led the strike.

"The unions were unable to agree on a single set of demands, so we did the job ourselves," said one engineer. "Some of the unions were concerned about pay raises, others about working hours and the like. But it was the salary scale that brought us all together."

Despite the strike, train service improved Tuesday with about 40 percent of trains running. Earlier in the strike, only one in four trains maintained scheduled service.

## Madrid Court Blocks Law On Abortion

The Associated Press

MADRID — Spain's Supreme Court struck down a month-old government decree Tuesday that had aimed to liberalize the country's 1985 limited abortion law.

The decision to suspend the Nov. 24 decree doing away with obligatory five-member review boards and permitting private clinics to perform abortions was based on an appeal presented by a pro-life organization that claimed the decree was "dangerous to the health of the unborn," the national news agency EFE reported.

The government of Prime Minister Felipe Gonzalez said it would use "all legal means at its disposal" to overcome the decision "for the benefit of all citizens who may be affected by it."

A number of appeals against the decree by pro-life groups and Spanish medical bodies are pending before the high court.

The July 1985 abortion law permits abortion only in cases of danger to the mother's life, malformation of the fetus and when pregnancy results from rape or incest.

Before the enactment of the decree, all women requesting an abortion had to pass approval by a five-member review panel, and the abortions had to be performed in public social security hospitals.

At the time of the enactment of the Nov. 24 decree, only 200 women had been able to obtain legal abortions in Spain.

The government-funded Women's Institute estimated some 27,000 women were eligible for abortions during the 16-month period.

Observers viewed the high court's decision as part of an effort of Spain's generally conservative judiciary to block abortion through the courts in the face of a strong Socialist majority in Parliament.

Shortly before the Nov. 24 decree took effect, a Madrid judge ordered raids on several family planning centers in the Spanish capital and the seizure of their records.

Women whose names figured as patients of the centers were summoned before Judge Carlos Lavilla to testify.

They were never charged with a crime.

Under the Nov. 24 decree, a woman no longer needed to have the authorization of the review panel to obtain an abortion, and she could have it performed in a private clinic.

Relations with the Soviet Union, diplomats here say, also have been strained by a number of factors.

These include Mr. Assad's attacks on Mr. Arzaf, who is favored by Moscow, and by Moscow's supplying of weapons to Iraq. But, again, these analysts suggest that mutual interests dictate that the Soviet-Syrian alliance, though uneasy, will remain in force.

2 Jazz Dissidents Freed by Prague

United Press International

VIENNA — The authorities have released two of the seven members of a dissident group in the Czechoslovak Musicians Association known as the Jazz Section, sources in Prague said Tuesday.

The seven, who were arrested Sept. 2, were expected to be charged with operating an unauthorized enterprise and distributing illegal publications, the sources said.

The Jazz Section was formed in 1971 with an initial membership of 3,000 for the purpose of promoting jazz.



President Hafez al-Assad

## ASSAD: 'He's in Trouble'

(Continued from Page 1)

and guns through the porous Lebanese border in hopes of regaining the importance and freedom they had before they were driven from their independent bases.

In two months of fierce fighting, Mr. Assad's main proxy in the area, the Shiite Muslim Amal militia, has been unable to dislodge the Palestinians. As a result, Mr. Assad could lose his Palestinian card: the factions under his sponsorship that are based in Damascus.

Also, Mr. Assad is being undermined in Lebanon by the growing strength and independence of the Iranian-backed Party of God, a Shiite fundamentalist movement that is increasingly challenging the Amal militia for dominance.

The Party of God "is pressing Amal," a diplomat said, adding that the Party of God has "become a powerful organization and one that could become a dominant organization if left unchecked."

The increasing power of the Party of God is one of several factors that have strained the alliance between Syria and Iran, which Mr. Assad has maintained despite pressures from other Arab nations.

Diplomats here are quick to point out the contradiction that Mr. Assad's main potential foe are the Sunni fundamentalist Moslem Brotherhood, spiritual kin of those who led the Iranian revolution and just the kind of forces Arab governments fear would be unleashed by an Iranian victory in the Gulf war.

But they also note that Mr. Assad and Ayatollah Ruhollah Khomeini of Iran remain united by one strong bond: a common hatred of Iraq's president, Saddam Hussein.

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These include Mr. Assad's attacks on Mr. Arzaf, who is favored by Moscow, and by Moscow's supplying of weapons to Iraq. But, again, these analysts suggest that mutual interests dictate that the Soviet-Syrian alliance, though uneasy, will remain in force.

Mr. Weinberger, when asked whether the move to speed space transport research indicated a shift in plans for the Strategic Defense Initiative, said: "No, I don't think so."

Instead, he said, it reflected "the success of some of the experiments that kind of bring this to the fore a little earlier than had otherwise been expected."

## DIVERT: Israeli Role Reported

(Continued from Page 1)

or indirect support to the Nicaraguan rebels. Private groups, with the encouragement of President Ronald Reagan, were seeking to bridge the gap. Colonel North's meeting with the Israeli official took place after the ban.

Mr. Kinche, according to Colonel North's account to the attorney general, said the United States had three options, the sources said.

The Israeli is said to have suggested that money could be provided from American government funds or from foreign aid money provided to Israel by the United States. But both of these approaches were unacceptable because they would violate the congressional ban on aid to the rebels.

Mr. Kinche was then said to have suggested a third option, namely to increase the price of the weapons being sold to Iran and to use the proceeds to the Nicaraguan rebels.

Colonel North has not commented on any aspect of the Iran affair since his interview with the attorney general. He has refused to testify before Congress, citing his Fifth Amendment right against self-incrimination.

In his news conference Nov. 25, Mr. Meese surprised the Israeli government when he publicly asserted that "representatives of Israel" had been involved in the diversion.

No American official has confirmed Colonel North's reported assertion that the idea of diverting money to the Nicaraguan rebels originated in conversations with an Israeli. As various stories about Colonel North have appeared in recent weeks, people inside and outside the government have asserted that he embellished aspects of his personal statements.

One day after the diversion of funds to the Contras was disclosed by Mr. Meese, the Israeli government issued a statement that said: "The funds did not pass through Israel. The government of Israel was surprised to learn that supposedly a portion of the funds was transferred to the Contras. If such a transaction took place, it had nothing to do with Israel and the government of Israel had no knowledge of it. Israel did not serve and would not have served as a channel for such a transaction."

It was not clear when Colonel North actually met with the Israeli official whom, he said, suggested the diversion of money.

By April 1986, Colonel North is believed to have been the author of a draft national security directive suggesting the need to raise \$12 million in "bridge money" for the Contras from the Iran arms sales.

But Mr. Pike predicted that the additional money sought Monday had "virtually no chance of being approved," an assessment that was echoed by other analysts.

The Pentagon's request on Monday sought money for a number of projects, including extra aircraft for special forces, commando units; equipment to dismantle old chemical weapons; stockpiles of ammunition kept in reserve for wartime; increased testing of weapons; and cooperative research by the United States and the Atlantic allies into innovative technologies for nonnuclear arms.

While the budget for the missile defense program has been reduced each year by Congress, including a cut of more than \$1 billion in the current fiscal year, many of the other projects for which new funds are being sought have been popular in Congress.

Even so, some budget analysts said that it would be difficult to add funds to the military budget because of pressure on Congress to restrain the federal deficit.

The last time such large amounts of money unrelated to personnel costs were added in such a way to the military budget was in 1981, said Gordon Adams, director of the nonproliferation Defense Budget Project in Washington.

He noted that in that year, the newly inaugurated Reagan administration successfully lobbied about \$12 billion into the military budget for the year.

Despite such reassurances, many city residents are convinced that the government is preparing a wave of price increases as part of its economic reform program. Grain prices are expected to rise next year by 5 percent to 10 percent.

The report said that those who start rumors of price rises to disrupt market prices would be punished, but it did not specify what the punishment would be.

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CHINA: Official Takes Moderate Line but Assails West

(Continued from Page 1)

rupting public order and damaging property to spreading rumors in the course of recent demonstrations. In an apparent attempt to placate such workers, the Xinhua news agency report Tuesday said that one of China's major tasks for the coming year was to keep retail prices "basically stable."

The report said that according to a decision made at a national meeting on price policy held from Dec. 15 to 24, the prices of rationed food and cooking oil supplied to urban residents will remain unchanged, and the prices of vegetables will be kept stable.

The report said that those who start rumors of price rises to disrupt market prices would be punished, but it did not specify what the punishment would be.

## WORLD BRIEFS

### Kim Offers Korean Unification Talks

TOKYO (Reuters) — President Kim Il Sung of North Korea proposed Tuesday holding high-level talks with South Korea on the "major question" of reunification.

"We deem it necessary to hold high-level political and military talks between the North and the South in order to settle the first and most urgent question of national reunification," the North Korean Central News Agency reported Mr. Kim saying in a speech to the Supreme People's Assembly, or parliament, in Pyongyang.

There was no immediate official response in Seoul. South Korea has been seeking a resumption of the trade, parliamentary and Red Cross talks suspended by North Korea earlier this year.



# Americans Abroad With Sheltered Funds May Pay More Taxes

Second of two articles  
By Robert C. Siner

International Herald Tribune

WASHINGTON — Americans abroad who are involved with tax shelters could be subject to tax increases as the new tax reform act takes full effect.

Americans living on pensions or Social Security will see little change, and those paying little or no income tax in the countries where they reside may even benefit from the lower U.S. rates.

However, taxpayers trying to set aside money for retirement will find that many of the tax breaks granted for such savings have been curtailed or eliminated.

For those with so-called unearned income — from stocks and bonds or real estate — the new tax laws completely change the rules.

Probably the most significant changes in the tax treatment of unearned income are the elimination of the special tax treatment of long-term capital gains and the end of the use of so-called passive losses to avoid taxes on other income.

Under the old tax law, the maximum marginal tax rate on long-term capital gains was 20 percent. That rate will rise to 28 percent in 1987 because the new law treats capital gains as ordinary income. In 1988 and thereafter the marginal rate for capital gains can be as high as 33 percent at income levels where the benefits of the 15-

percent income bracket and the personal exemptions are phased out.

## Shelters

Losses from passive activities may not be used for avoidance of tax on other types of income such as salaries, fees, capital gains, dividends and interest. Passive activities are generally defined as trade or business activity in which the taxpayer does not materially participate. In other words, if you are not actually running the business you cannot use the losses to offset your other income. Since most tax shelters depend on the use of passive losses, their benefits have been almost entirely eliminated.

To soften the blow to those taxpayers who owned tax shelters before the law was enacted there is a

five-step phase-out period. The benefits are reduced to 65 percent for 1987; 40 percent in 1988; 20 percent in 1989; 10 percent in 1990 and 0 percent in 1991 and thereafter.

## Real Estate

The passive loss rules for tax shelters including the five-step phase-out of benefits, also apply to real estate. In addition the period over which a property is depreciated has been lengthened and use of accelerated depreciation has been banned.

Americans who rent their homes in the United States while they are abroad will no longer be able to use their housing expenses to offset other income.

While the tax shelter benefits of

real estate investments have been almost entirely eliminated, a taxpayer will still be able to deduct mortgage interest and state and local property taxes on first and second homes.

## Alternative Minimum Tax

The categories of preferential income subject to the alternative minimum tax have been expanded, and the tax rate has been increased from 20 percent to 21 percent. Preferential income is income that is either tax free or subject to a special low tax rate. The categories now include accelerated depreciation, intangible drilling costs, tax-exempt interest on private activity bonds issued after Aug. 7, 1986,

and untaxed appreciation on charitable gifts of appreciated property.

Under the alternative minimum tax rule, a taxpayer computes his tax twice. First his tax is figured using all the rules that reduce or eliminate preferential forms of income.

The taxpayer then computes the tax by adding up all income without using the tax preference rules, subtracting a threshold amount of \$40,000 (\$30,000 for single people, \$20,000 for married people filing separately) and then taking personal exemptions and regular deductions. Twenty-one percent of that amount is the alternative minimum tax.

The taxpayer then compares the tax calculated using the preference rules, with that using the alterna-

tive minimum tax rules and pays whichever amount is greater.

The new law also phases out the threshold amount used in figuring the alternative minimum tax for alternative minimum taxable income over \$150,000 (\$112,000 for singles, \$75,000 for married people filing separately).

In addition, a taxpayer can no longer use foreign tax credits to wipe out his alternative minimum tax liability. In the past foreign tax credits could be used to offset both regular and alternative minimum taxes owed. Under the new law a maximum of 90 percent of the alternative minimum tax can be offset by foreign tax credits.

## Pensions

The new law requires that taxes be withheld on pensions paid to Americans living outside the United States.

Contributions to an Individual Retirement Account are not deductible if a taxpayer is a participant in an employer-maintained retirement plan. Contributions to a tax-deferred savings plan are limited to \$7,000 a year.

After retirement, federal employees henceforth will be taxed not only on that part of their pensions that are attributed to contributions by the government and to interest but also to that part of their pensions attributed to their own contributions.

## AMERICAN TOPICS

### Cruise Ships Enlisting Older Men as Escorts

The scarcity of older men, as compared with older women, on cruise ships is encouraging shipping lines to provide male escort or host services. The men, usually required to be single and over 50, are paid or given expense-paid passage in exchange for acting as dancing or bridge partners to women, joining them for a drink, playing deck games like quarts, or accompanying them on shore excursions. Viking, Cunard and Royal Cruise hired a total of 300 hosts this year.

Women get jumpy "when there aren't many men around," says Nancy Swasey of the Royal Viking Line.

The New York Times reports that "while ballroom skills and social graces are basic credentials for the job, cruise officials are horrified when applicants or anybody else refer to such people as gigolos, or suggest that the role has sexual overtones. It is definitely not a new kind of dating service, they point out, and it is carefully regulated."

For example, Royal Cruise requires its hosts to sign a contract in which they agree never to spend a significant amount of time with one woman, never to leave a public area with just one woman and never to visit a woman's cabin or have her to his cabin. Hosts who disregard the rules can be put off at the next port of call and must pay their own way home. But despite the rules, or perhaps because of them, shipboard romances do occur.

### Start his trial. His lawyer argued that the state had failed to start the trial within the 180-day limit specified by law. Circuit Judge DeLawrence Beard dismissed all charges. The judge said cases can be delayed beyond the limit at the request of either side "for good cause," but no such request had been made. The prosecution said it would appeal.

Lieutenant General James A. Abrahamson has been nominated by President Ronald Reagan for promotion to four-star general. Congressional approval is expected, since Congress earlier this year voted to expand the number of four-star commands in the air force from 12 to 13 in order to accommodate the promotion of General Abrahamson, chief of the Strategic Defense Initiative missile-defense program since 1984.



Senator Patrick J. Leahy

### For a City Slicker, A Yankee Rebuff

The New York Times interviewed Senator Patrick J. Leahy, Democrat of Vermont, but it took some doing. His "neighbors, taciturn New Englanders through and through, are determinedly protective of his privacy," the Times reported.

On a dirt road near the Leahy farmhouse, a neighbor was asked, "Senator Leahy live up this way?"

Neighbor: "You a relative?" Reporter: "No."

Neighbor: "A friend of his?" Reporter: "No."

Neighbor: "He expecting you?" Reporter: "No."

Neighbor: "Never heard of him."

—ARTHUR HIGBEE

## Dependents 5 Years Old Need Social Security Cards

International Herald Tribune

WASHINGTON — The new U.S. tax law requires that any taxpayer claiming a deduction for a dependent 5 years old or older must include a Social Security number for that dependent.

The requirement takes effect Jan. 1, but does not apply to returns for the 1986 tax year.

Social Security numbers are obtainable by filling out an application for a card, Form SS-5, from the Health and Human Services Department.

Special procedures have been set up for processing applications from Americans overseas.

Military personnel serving abroad can obtain the forms from their military installations. Civilians should apply at a U.S. embassy or consulate.

A Social Security spokesman emphasized that the application cannot be completed without proper identification to establish the age, identity and citizenship of the applicant. The preferred identification is a valid U.S. passport.

Other accepted proofs are an original birth certificate or baptismal record. No copy, not

even a notarized copy, will be accepted. Either a birth or baptismal record must be accompanied by another form of identification, such as school or hospital records, vaccination certificates or military identification cards.

Americans for whom a personal visit to a U.S. embassy or consulate is not practical may make the application by mail. Those applying by mail are urged to send an original birth certificate or baptismal certificate and another form of identification. It is not recommended that passports be mailed.



Alton W. Maddox Jr., left, lawyer for a victim of the Howard Beach attack, stands outside the court with black leaders after a judge dismissed the murder and manslaughter charges.

## Murder Charges Against 3 Whites Are Dropped in N.Y. Racial Incident

By Robert D. McFadden

New York Times Service

NEW YORK — Charges of murder, manslaughter and assault against three white youths in the death of a black man in suburban Howard Beach have been dismissed by a New York judge after the prosecution's key witness, another black man who was attacked, refused to testify.

The dismissals Monday for insufficient evidence brought cries of "injustice" from some spectators and left only a lesser charge of reckless endangerment against the youths. They had been accused of chasing and beating three blacks in a racial attack Dec. 20 that ended when one victim, Michael Griffith, was struck and killed by a car as he fled onto a highway.

The affair, widely perceived as the worst racial incident in New

York City in years, has drawn national attention.

In Queens Criminal Court, Judge Ernest Bianchi also set bail for the youths: \$25,000 for Jon L. Lester, 17, and \$15,000 each for Scott Kern, 17, and Jason Ladone, 16. The defendants, who had been held eight days without bail, were expected to be released.

The judge said the district attorney, John J. Santucci, was free to go before a grand jury and seek reinstatement of more serious charges. But the judge ruled that testimony by police officers who questioned the youths was not sufficient to establish "probable cause" that the defendants had committed murder, manslaughter or assault.

Judge Bianchi ruled that the testimony, based almost entirely on what the youths said, was sufficient to sustain a charge of first-degree reckless endangerment, punishable by up to seven years in prison.

The actions came in a four-hour proceeding.

It was the refusal of Mr. Griffith's stepfather, Cedric Sandford, to testify that prompted the dismissals. Besides the defendants and about eight other white youths, Mr. Sandford was apparently the only person who saw Mr. Griffith flee through a hole in a fence onto Shore Parkway, where he was killed by a car driven by Dominick Blum.

Judge Bianchi said of Mr. Sandford, "He's a Negro, a black man, who did not want to testify." Alton W. Maddox Jr., Mr. Sandford's lawyer, said his client did not attend the hearing because he refused to cooperate with "a bad-faith investigation and prosecution."

Mr. Maddox asserted that Mr. Blum was a willing accomplice of the white defendants and had deliberately run down Mr. Griffith. According to the police, the victims were beaten with baseball bats, a tree limb and fists in two attacks by a youthful gang of nine to 12 whites after their car had broken down near Howard Beach.

### Short Takes

Morton Sobell remains a militant leftist. Mr. Sobell, now 69, spent 18 years in prison after his 1951 conviction with Julius and Ethel Rosenberg of spying for the Soviet Union. Released in 1969, he maintains that he and the Rosenbergs, who were electrocuted, were framed. Today, he espouses causes from Vietnam to Nicaragua. "I feel that left-wing groups today are highly ineffective," he says, "because they're inward-looking, and when I do get a chance to address them, I try to make that point."

Murder conspiracy charges were dropped against Francis Stewart Payne, 45, owner of a Damascus, Maryland, print shop, because the prosecution waited 24 hours too long to

## Not the Time for Greeting

Reuters

MOSCOW — Mikhail S. Gorbachev and Ronald Reagan will not exchange televised New Year's greetings, a Foreign Ministry spokesman, Gennadi I. Gerasimov said Tuesday.

The U.S. president spoke to the Soviet people and the Soviet leader made a broadcast on U.S. television last year.

Mr. Gerasimov said that the U.S. ambassador to the Soviet Union, Arthur A. Hartman, had delivered a request for greetings this year, but the Soviet Union considered it inappropriate. "We believe such an exchange is a good thing," Mr. Gerasimov said, "but it should be in line with the spirit of our present situation."

Referring to the U.S.-Soviet meeting in Reykjavik, Iceland, in October, he added: "Why should we create any illusions about our relations? The Reykjavik agreements are not being observed by the United States."

"We regret that the Soviets rejected our proposal," said a U.S. State Department spokeswoman, Phyllis Oakley.

Mr. Gerasimov noted that the United States had decided to break the SALT-2 treaty on limiting strategic nuclear arms, and that the Reagan administration had failed to join the Soviet moratorium on nuclear weapons tests.

## Philippines Sues Marcos, Claiming N.Y. Property

By Keith B. Richburg

Washington Post Service

MANILA — The Philippine government has filed an \$850 million lawsuit against exiled former President Ferdinand E. Marcos, his wife, Imelda, and 10 business associates, claiming that Mr. Marcos used "a pool of purloined, stolen funds" to buy \$350 million worth of prime real estate in New York.

The suit, filed Monday, asks that the Philippine government be declared the rightful owner of four buildings in Manhattan and an estate on Long Island. A federal district court in New York has

blocked the sale or transfer of the properties pending legal action by the Philippine government.

The suit also seeks \$500 million in damages and court costs from Mr. Marcos and his associates.

Filing the suit in Manila was necessary, officials said, to establish that the properties were obtained illegally and to give U.S. courts a legal basis for turning over ownership to the government.

"This is the first in a series of suits" against "the Marcoses, their cronies and business associates, involving the ill-gotten wealth they acquired here and abroad during Marcos' 20 years in power," said Jovito R. Salonga. He is chairman of the Presidential Commission on Good Government, which is charged with tracking down and retrieving Mr. Marcos' wealth.

### ■ Marcos Seeks to Return

Mr. Marcos said Monday in Hawaii that he wanted to return to the Philippines to defend himself against the suit. The Associated Press reported from Honolulu.

"The Philippine Commission on Good Government has no jurisdiction over ownership and disposition of real estate and properties located in a foreign territory like the United States," Mr. Marcos said in a statement issued by his spokesman, Genmo Trinidad.

"I ask that I be given my passport so that I can go home and protect our good name and honor which is the right of everybody in a litigation."

as building minister and deputy prime minister.

### ■ Other deaths:

Cardinal Pietro Parente, 95, a conservative Italian theologian and oldest member of the College of Cardinals, Monday night following a long illness, the Vatican said Tuesday.

Warner B. Reginald, 88, longtime political editor of U.S. News & World Report and a journalist for more than half a century, Thursday in Burlington, North Carolina. He had worked 17 years with The Associated Press before joining the magazine.

## Terry Dolan, U.S. Conservative, Dies

The Associated Press

WASHINGTON — John T. (Terry) Dolan, 36, a founder of the National Conservative Political Action Committee, died Sunday after a long illness.

A spokesman for the fund-raising organization said the immediate cause of death was congestive heart failure.

Mr. Dolan was a prominent conservative spokesman. He spoke out in favor of school prayer, reducing the size of government and against abortion. He also criticized some Republican politicians for being "co-opted by the liberal establishment."

He co-founded the action group, which gained prominence with the

election of President Ronald Reagan in 1980. The committee funneled nearly \$2 million into Mr. Reagan's campaign.

### Lothar Bolz, 83, Ex-East German Minister

BERLIN (AP) — Lothar Bolz, 83, a longtime deputy prime minister and foreign minister of East Germany, died Monday, the press agency ADN reported.

The brief report described him as a "deserving state functionary." It did not give the cause of his death.

Mr. Bolz was foreign minister under Walter Ulbricht from 1953 to 1965 and was instrumental in the creation of the Communist state after World War II. He also served

## Exxon to Spin Off Its South African Operations

By Mark Ports

Washington Post Service

WASHINGTON — Exxon Corp. announced Tuesday that it would spin off its operations in South Africa into a trust arrangement that will dedicate part of its profits to funding social programs.

Exxon's is the latest in a series of actions by American companies to pull out of South Africa in the face of mounting protests over that nation's policy of apartheid. In recent weeks, such companies as General Motors Corp. and International Business Machines Corp. have announced plans to end their involvement in South Africa.

Exxon said it decided to establish the trust — in which it will have no ownership position — because the New York-based oil giant had been unable to find a local buyer in South Africa.

Donna Katzin, director of the international justice program at the Interfaith Center on Corporate Responsibility in New York, said the anti-apartheid group commended Exxon's action, but would have been more pleased if the company had gone further and ended ship-

ments of raw materials and licensing of technology to South Africa. Exxon declined to disclose financial details of the arrangement.

It said the South African business, which includes petroleum and chemical marketing divisions, employs about 200 people. The operation had revenue in 1985 of less than \$200 million — about 0.2 percent of Exxon's total revenue of \$93.2 billion.

That makes Exxon a relatively small player in the South African oil business. Other oil companies, notably Mobil Corp., have large-scale operations there.

The trust arrangement apparently is the first of its kind by an American company; most other companies have either dropped their South African operations entirely or found a local buyer.

"The deterioration of the South African economic and business climate caused by the continuing internal and external constraints has affected our growth," said Exxon's president, Lawrence G. Rawl. "In view of the fact that we were not able to sell our operations, we did not want

to shut them down and abandon our employees."

Under the plan announced Tuesday, Exxon will provide financing to the new trust to purchase and operate the company's South African assets. Although Exxon would help select the first group of trustees, it would have no further direct involvement, and none of the trustees would be Exxon employees.

The trust would be required to stop using the brand names Exxon and Esso within a few months, according to an Exxon spokeswoman. It would still have access to supplies of raw materials from Exxon, but would not be required to buy from the company.

The trust's profits would be used to pay off the loan from Exxon, for employee profit-sharing, and for charitable organizations that provide services to blacks, people of mixed race and Asians in South Africa. The new company would be required to comply with Exxon's existing anti-segregation policies.

### ■ Leaders Discuss Sanctions

Prime Minister Robert Mugabe of Zimbabwe and President Kenneth Kaunda of Zambia met Tues-

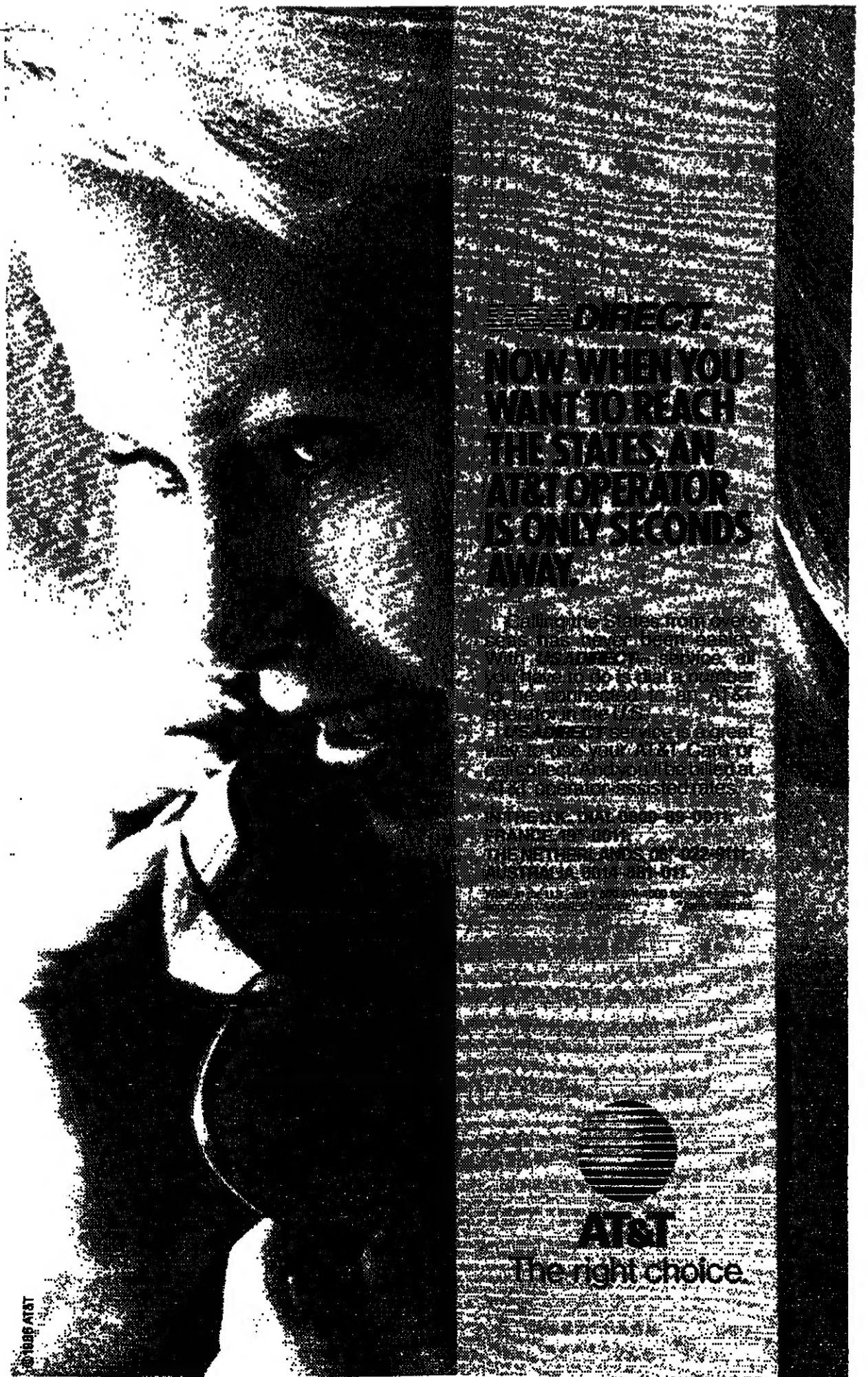
day on their border and discussed the possibility of imposing sanctions against South Africa. Reuters reported from Kariba, Zimbabwe.

A communiqué at the end of the talks did not shed light on likely measures.

But political sources said the issue of what Zimbabwe and Zambia might do had dominated the three-hour meeting in Kariba, and announcements by Mr. Mugabe and Mr. Kaunda, the region's most vocal critics of Pretoria's apartheid laws, were expected in their New Year speeches on Wednesday.

Both Mr. Mugabe and Mr. Kaunda have said they will impose limited economic sanctions on South Africa, agreed at a Commonwealth meeting in London in August. These include cutting air links and trade in such goods as steel and fruit and vegetables by year-end.

The communiqué said Mr. Mugabe and Mr. Kaunda "commended the recent withdrawals of some transnational companies from South Africa and called on those other foreign companies which have not yet withdrawn to do so forthwith."





# Herald Tribune

Published With The New York Times and The Washington Post

## Confidence, Please

Some years are marked by what did not happen rather than what did. Economists may well list 1986 as a nonevent, while doubting whether or not news was good news. The pessimistic view of the world economy, with a hard landing for America and consequential global distress, proved premature, but does a gray year presage a white or black one thereafter?

Two disasters failed to occur. Trade warfare spread only moderately — although the year ends with U.S.-European hostilities announced for 1987. And there was no substantial move toward debt default by the developing countries, an event that could have spawned financial panic in the North and stopped all progress in the South. But the more rapid economic growth so confidently forecast by most OECD governments failed to materialize, even after the temporary collapse of oil prices. Unemployment, instead of shrinking, grew and lasted longer for its victims. The rich economies provided little help to the poor. And diversification in the rich world — the vast U.S. payments deficit and the corresponding surpluses of West Germany and Japan — remained untouched.

So 1987 opens precariously. The United States is going to incur further massive debt to other countries. The new Congress will use this to excuse fresh onslaughts against free trade — onslaughts vainly believed to be helpful to American industry, because few politicians understand that anything they can do, others can do better. For an apparently indefinite period, Europe is going to suffer high unemployment, which at some stage must threaten social cohesion. France may only be the first to experience the back-

lash from workers who feel menaced. And it is an open question how long the big debtors in the developing world can continue to support the austerity programs thrust on them by near-bankruptcy. The nonevents of 1986 may only have postponed our problems.

Politics among the rich seems currently unhelpful to good economic strategy. The mess in Washington menaces stability in the American business world. Surprising political ineptitude handicaps the French government. Britain seeks to sweep problems under the rug as elections loom. The imminent elections in West Germany may, by their result, encourage the immobility and inward looking of Helmut Kohl. Japan seems lastingly stymied because its prime ministers are the prisoners of warring factions in the ruling party.

But it is easy to exaggerate the political limits to official initiative. The most constructive private attitude for 1987 may be one of irritation against the pusillanimity of governments. Not one of these economic problems is intractable. With a bit more determination and international understanding, 1987 could see the start of better-balanced growth in the rich world, a defusing of the trade bomb without waiting for the laborious GATT negotiations that are about to open, and a more effective attack on Third World debt through the IMF and the World Bank that would give commercial banks more courage. It demands confidence, and less small and inward thinking, on the part of governments which overestimate the stupidity and petty nationalism of their electorates and suffer from an inferiority complex that can make them truly inferior. The new year's best gift would be more confidence for governments.

INTERNATIONAL HERALD TRIBUNE.

## A New Role for the IMF

The International Monetary Fund, which provides loans and advice to ailing economies, finally has a new director. It needs a new direction as well.

Jacques de Larosière, who piloted the IMF skillfully through the opening phases of the world debt crisis, has resigned after eight years. He and his predecessors were chosen by consensus of the fund's European members, but this time a showdown between France and the Netherlands forced an election. After a campaign with no speeches, no public promises and no vision of the fund's future, the prize went to Michel Camdessus, governor of the Banque de France. By all accounts he is well qualified as financier, civil servant and diplomat.

He will need all of those talents, for debt problems are far from ended. He will be swamped by repeated negotiations and renegotiations over assistance for countries in distress. Increasingly, he will face borrowers who have become frustrated and angry with their creditors' demands, and banks unwilling to lend more. Creative new formulas will be needed. But Mr. Camdessus can also lead the fund greater influence in a new direction — helping to coordinate economic policies among the industrial nations, on whose stable growth all else rests.

The role of the fund has already been transformed by the debt crisis and Mr. de Larosière's innovative response. The crisis

erupted with Mexico's startling declaration in 1982 that it could not meet scheduled payments on its \$90 billion foreign debt. Foreseeing that the problem went beyond Mexico, Mr. de Larosière demanded that commercial banks join with the fund in putting up new loans, refusing to commit fund assistance until the banks agreed. With the Reagan administration insensitive to the looming crisis, he acted on his own authority. It was a master stroke. From the viewpoint of the borrowers, though, the terms were painful austerity to get their economies back in balance.

Gradually the fund has accommodated political realities, but the borrowers want still more relief. Washington's newly disclosed willingness to ease terms on military aid loans to 38 countries is a hopeful sign that the Reagan administration recognizes how burdensome their debt has become.

Coping with these debts is an extension of the fund's original function, much enlarged. Coordinating economic policies on an international scale is new territory. The Western powers did agree at their last economic summit meeting to submit to "surveillance" by the fund. In this role, the fund can only identify problems. Working them out remains in the hands of governments. The challenge for Mr. Camdessus is to match Mr. de Larosière's boldness.

—THE NEW YORK TIMES.

## Other Comment

### London Papers Peer Ahead

The coming year will provide the first opportunity to test the reality of Soviet reforms. Mikhail Gorbachev's Russia is like a great ship preparing to leave port.

In the past 12 months there has been a humming and clanking of internal machinery; commands have been shouted to the engine room; up on the bridge, the captain has been poring over his charts. Until a few weeks ago the view of the dockside remained static. Now there is a sensation of movement. The cranes on the quay are slipping away, the ship is heading seawards.

There are three measures by which to judge the vessel's likely course: reshaping of the economy, progress of foreign relations and recognition of basic human rights.

—Andrew Wilson in The Observer.

Today's university students were not born when the Cultural Revolution, which so scarred their parents, burst upon China. For them, political memory begins just as China was opening its doors to the outside world and settling down to the long, hard slog of economic development under a more flexible and competitive system.

Several cities have decided to introduce stricter security measures to prevent outbreaks of pro-democratic sentiment. With a party congress set for October and appetites whetted for more reforms, the students may have made it much harder for Deng Xiaoping to push his program. The fear in Beijing is that their protests will turn out to be a major setback on the road to prosperity and a more open political system.

—Ryland Willis in The Sunday Times.

As 1987 dawns, optimism around the world is praying that it will be an improvement on International Year of Peace — the

designation attached to 1986 by the United Nations, more in hope than expectation.

Academic estimates calculate that 83.6 million people have been killed in wars in the first 85 years of this century. All the indications are that this figure will be substantially higher in the year to come.

Rather than healing any of the existing wounds of the world, International Year of Peace has seen the reopening of several old ones. According to Professor Lawrence Freedman, of the Department of War Studies at King's College, London, "1986 was very similar to 1985, and it doesn't look as if there are any great rays of hope on the horizon for 1987. The Iran-Iraq war is not going to end, and it will take a long time to resolve things in Afghanistan. Cambodia is bubbling along and so is Central America. It is the nature of these wars that they are all long-term conflicts."

—Patrick Bishop in The Sunday Telegraph.

The European Community and the United States are to celebrate the New Year by starting a small trade war. The cause belli this time is the loss of market share for American farmers caused by the enlargement of the EC to include Spain and Portugal. This latest tussle is not just a reminder of the unhealthy competition between European and American subsidization of farmers. The EC form of subsidy may be anathema to American politicians — but so is it to many Europeans. What emerges most clearly is their failure to cope with strains that will be inevitable until the worldwide distortions to agricultural trade are tackled multilaterally.

In the meantime, Washington and Brussels must overhaul their system of liaison to provide early warning of maneuvers before they can turn into battle formations.

—The Financial Times.

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## OPINION



The president returns from clearing brush at the ranch ...

## Yes, We Could Have Done Better

By David S. Broder

WASHINGTON — At the end of the year, the proprietor of this column customarily reviews the previous 52 weeks' output. For the amusement of the customers and the mortification of his soul, he highlights some of the more flagrant mistakes of fact and judgment of which he has been guilty.

A rereading of the past year's columns turns up the usual rich variety of howlers, including the inexplicable shift of an errand service secretary from his proper place in the Eisenhower administration to the strange surroundings of the Kennedy White House.

But when I tried the other night to write amiably about my goofs in 1986, it seemed petty and self-indulgent. As every Washington journalist knows, we are being asked serious questions about our role in the story of mismanagement and deception that has washed over the Reagan administration in the past two months. This is not a season for joking about incompetence.

My mail on the subject — which is heavy — is of two types: Many want to know why the media are zapping a popular president with daily doses of disturbing information. Many others ask why it took us so long to reveal the shortcomings of this White House.

The first question is easy. We are pursuing the story with all our resources because that is our job. It is especially our responsibility when some of the government officials involved have chosen to come forward in public with a comprehensive narrative and accounting of what he did and what he knew about this whole sorry affair.

We dish it out in daily drabs and drabs because that is the only way we can. No one gives us the whole picture, so we fill in a few gaps each day, necessarily repeating or revis-

ing what we have reported previously. Cumulatively, the effect of all these stories is depressing, maybe even oppressive.

But those who say they don't want to hear it are in effect saying they do not care how the U.S. government has exercised or abused the power it holds as a public trust. To reject such information is to reject an obligation of citizenship.

The second question is harder to answer. Elizabeth Drew, writing in last week's New Yorker, said, "The truth is that Reagan's popularity has had a high proportion of this town [Washington] cowed." Journalists and news organizations were certainly not immune from intimidation or seduction by the White House. But it is not accurate to suggest, as some are now doing, that Ronald Reagan had a "free ride" from the press until the Iran-contra affair exploded.

In September 1985, when Mr. Reagan's popularity was stratospheric, I wrote what was probably the harshest sentence I had ever set down about a U.S. president: "The task of watering the arid desert between Mr. Reagan's ears is a challenging one for his aides ... When someone approaches [him] bearing information, he flees as if from the leper's touch ... He knows what he thinks and has the power of his own beliefs. But he treats knowledge as if it were dangerous to his convictions. Often it is."

Later that same month, columnist Jack W. Goodman and Jules Witcover quoted "a prominent Republican in the House, a conservative and loyal Reagan supporter," who was worried that after Mr. Reagan's colon cancer surgery "the president is even more disengaged than he was before the operation."

In a comment whose significance we can now appreciate, they quoted their source as saying "that as far as he could learn, Reagan's preparation from his national security staff was 'only the basic stuff that after five years as president ought to be second nature to him.'"

Indeed, Mr. Reagan's disdain for the complexities of the real world has been a reiterated theme for years in the coverage of thoughtful journalists like The Washington Post's Lon Cannon. At the beginning of 1986 he wrote: "Increasingly, the Reagan administration functions reflexively, with most of the work done by mid-level aides ... His government often runs on automatic pilot, and he seems too distant from his subordinates' deliberations or the outside world's concerns to notice. Eventually, isolation is likely to exact a price."

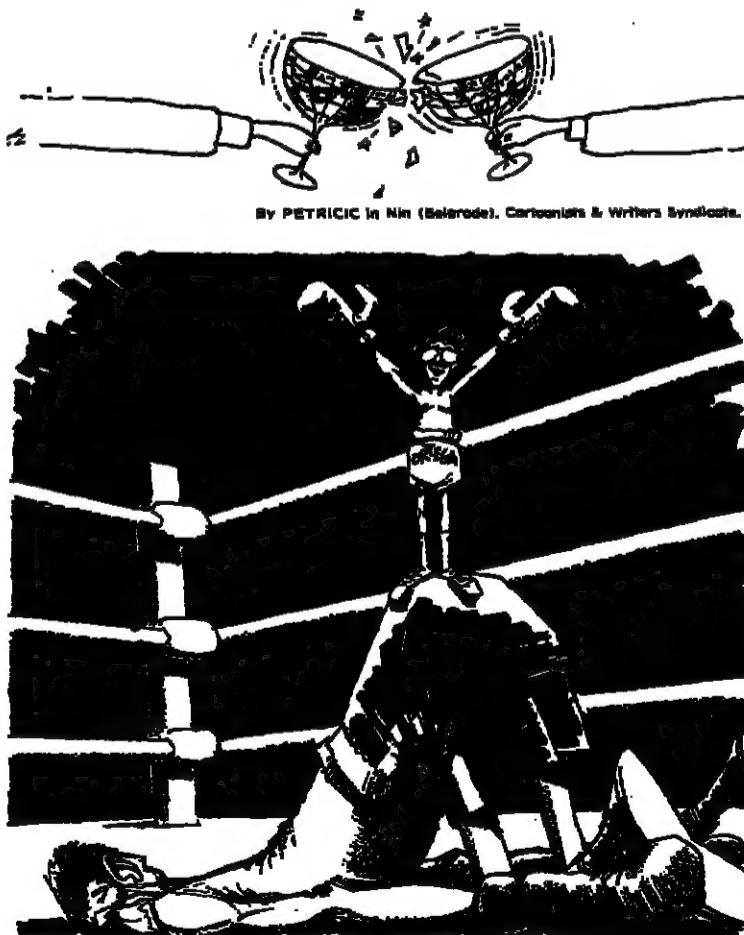
Ten months later it did. The public, having overlooked earlier examples of Mr. Reagan's costly detachment, was shocked and disillusioned. But that is not an excuse for us. Virtually every reporter in Washington — and politician, too — knew Mr. Reagan had only a fleeting interest in the day-to-day policies and operations of government. But too many of us convinced ourselves that it made no difference; that it was enough to be lucky and popular. Even those of us who were not so bemused generally decided not to make pests of ourselves by harping on our concerns about his limited intellectual energy.

For that we can and should be faulted. James David Barber, the Duke University political scientist, is correct when he writes that we did not hold Mr. Reagan sufficiently to account when his words showed that he did not "live in the real world." Eventually that world intrudes and a high price is paid.

The Washington Post.



Brother, can you spare a hundred billion or so toward the interest on the last trillion or so?



... and I never laid a glove on him!



'OK, no more Mr. Nice Democratic President — lock everyone up!'



Think about it. The Chernobyl explosion was caused by human error, and the shuttle explosion was caused by human error ...



## IN OUR PAGES, 75 AND 50 YEARS AGO

### 1912: 'It Wasn't So Bad'

PARIS — [A Herald editorial says:] "The year that has just passed away was marked with great events and many anxieties, but it wasn't so bad. Unrest and turbulence in Mexico, Persia, Turkey and China; the Moroccan crisis and the war in Tripoli; trust-busting and tariff-linking in the United States; the change in the British Constitution and all the rest of it leave the world fairly peaceable and comfortable at the beginning of the new year. There's no denying that 1911 gave us many bad scares, but, as the old woman on her deathbed said of her many troubles in life: 'Most of them never happened.'"

### 1937: The Year 2000

PARIS — [A Herald editorial says:] "The year 2000 A.D. is already within attainable distance. Millions alive today will hail its dawn with the same feelings of anxiety and hope with which we are ushering in its sixtieth predecessor today. What will this intervening period bring to this generation that is still in its infancy? Will it look forward to the year 2000 as the beginning of a millennium, or will it await its approach with terror, as our forefathers did a thousand years ago? In so far as this is obvious, a transition period from an order to a new, we may legitimately hope that we are moving toward better things. But at the price of what suffering and tribulations? That is the enigma. The period of trouble may be so long as to seem interminable and to point to the end of the 20th century as the culminating point of an upheaval doomed to end in cataclysm."

Back at the

NEW YORK  
The Herald Tribune  
The year 2000 A.D. is already within attainable distance. Millions alive today will hail its dawn with the same feelings of anxiety and hope with which we are ushering in its sixtieth predecessor today. What will this intervening period bring to this generation that is still in its infancy? Will it look forward to the year 2000 as the beginning of a millennium, or will it await its approach with terror, as our forefathers did a thousand years ago? In so far as this is obvious, a transition period from an order to a new, we may legitimately hope that we are moving toward better things. But at the price of what suffering and tribulations? That is the enigma. The period of trouble may be so long as to seem interminable and to point to the end of the 20th century as the culminating point of an upheaval doomed to end in cataclysm.

The New  
Of Mind

By Mike  
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## OPINION

## Back at the Ranch, the Chief Takes Stock

By William Safire

NEW YORK — The whole world is going bananas. Here I am, home on the ranch, and what do I see?

I see the Russians giving Andrei Sakharov television studio to broadcast to all the American television networks, and Gorbachev's men smiling at that fearless dissident denounces the Red Army's occupation of Afghanistan. Crazy.

I see Chinese students rioting against Deng Xiaoping for being too slow on democracy, and the authorities patting the kids on the head and telling them to go home and be nice. Unbelievable.

Here at home, I see all the people who tore their hair out at my heartlessness and lack of compassion now up in arms because I turned out to be a soft touch on hostages. The liberals are sore because I wasn't the tough guy they hated.

Which brings me to the Iran arms controversy. (I'm the only one who calls it a controversy. Everybody else agrees in perfect hindsight that it was a terrible idea to sell them anything, which is another example of the world gone bananas.)

It is not enough that I had to admit, in a passive voice, that mistakes were made in the execution of my Iran policy. Now they want me to confess to making a mistake in the policy itself, and that's not like me—I haven't even admitted making a mistake in turning down the role in "Casablanca" that went to Humphrey Bogart.

The cover story isn't flying—that this was some geostrategic design to foil the Russians after the death of the ayatollah. Now they have the memo from Bill Casey that shows this was a straight hostage ransom payment, with a hold-up cover about moderate elements.

But what can I do? Go out there and say I caved in to those families that came to me crying? Or that Bill Casey was going bonkers at the CIA station chief in

Beirut being tortured, and was willing to pay anything to spring him before every name in our Middle East network was forced out of him? That's out of character. We can never admit publicly we're vulnerable to blackmail. The plain truth is not a realistic option.

Poor Bill, to have all his fine work rebounding that agency go down the drain this way. Do you suppose his brain

Northdexter could decide to involve me in that contra thing, which I was not a part of, that I can remember.

tumor affected his judgment over the past year, the way his friends say it affected his mood?

At least now when they ask him to testify about meetings with me he can deliver my old line from "King's Row": Where's the rest of me? Bill can take a joke, especially coming from me now. I didn't choose January for my prostate operation because it was the most convenient time: For a president, just before the State of the Union and the budget, it's the worst time, but the doctors say I shouldn't wait another month.

Cutty guy, Bill Casey. As soon as that great American can talk, I'll bet he'll tell me his candidate for a successor. He'll want me to get Leo Cherne's advice. It's a pity we kicked Edward Bennett Williams off the Intelligence Advisory Board, to make room for Hen-

ry Kissinger or somebody. Now the Williams law firm is working for Ollie North, and Ed knows too much about the place across the river.

I wish my friends would stop dumping on Ollie, calling him a kook, hinting he was in cahoots with some general with his hand in the till. We have to treat that young man with great care, get somebody to give him immunity, not so much to get him to talk as to get him to relax. If he and his friend the admiral get angry, Northdexter could decide to involve me in that contra thing, which I was not a part of, that I can remember.

And now, when I can least afford it, my own wife is giving me trouble. On the advice of Mike Deaver, who was not exactly a barrel of laughs at Christmas dinner, Nancy's been calling a pal of hers in the media regularly, undercutting Don Regan, the only person I can talk to these days. The White House operator has a list of those calls but I don't want to look at it; that would be spying on your wife.

Pushing Don Regan off the sled would not satisfy the wolves, and it would be admitting a mistake I never made. Come to think of it, Bogle's role in "Casablanca" wasn't right for me.

Well, when the going gets going, the tough get tough, or whatever. I'll start off the year flat on my face in the polls and flat on my back in the hospital, but my exit line hasn't been written yet.

Televised hearings and investigations leaks can smear my reputation, the Democrats can put the Reagan revolution, the Kremlin can turn truth on its head, but I'm hanging in there until SDI is a fact of life.

Let the world go bananas. Space defense is my legacy, and no matter how they all come at me, I'll deliver on that.

The New York Times.



By TROG in The Observer (London), C&amp;W Syndicate.

## Preoccupation With Change Ignores the Continuo Chords

By Edwin M. Yoder Jr.

WASHINGTON — Tony that I am, I rarely quarrel with custom. But frankly, New Year's resolutions leave me cold. The alleged capacity for sudden reforms, for radically new selves, strikes me as largely mythic. Had I been an early follower of Saint Paul, as I hope I would have been, it would certainly not have been because of his wild yarn about the road to Damascus.

It's the same with the people I know and love best. Reliability, even predictability, are more attractive human qualities than a gift for the mercurial. The enriching continuities — the "mystic

## MEANWHILE

chords of memory and affection," as Lincoln beautifully called them: These are the essential stuff of my world.

Were I to make a New Year's resolution, however, it would be to write more of permanent things. Change, alas, is our business. We are journalists, not eternalists — captives of deadlines. Our name avows it. All the little incantations designed to mask it — "history shows" or "experience teaches" — only disguise an inability to distinguish, in the swirl of events, between what is for the day and what is for the ages; what is shadow and what is substance.

Those of us who try to analyze passing events on a regular basis ought to leave more room for the unexpected.

According to my newspapers, for instance, China during the past year officially renounced Marxism. How about that? As I write, Chinese students cluster in Shanghai and Beijing, calling for

"democracy" and, perhaps more importantly, for stronger electric current to light their study lamps.

So much for the grim verdicts we tended to make, in journalism and statecraft, not very long ago. The stale phrases of two decades ago — "a billion Chinese armed with nuclear weapons," "blue ants" overrunning Eurasia — echo back only to mock our shortsightedness.

Even in the Evil Empire there are signs of ferment which it is unwise to dismiss as window-dressing. I say it reluctantly, for I never underestimate the Russian genius for secrecy and being cruel to themselves. But the arts seem to be stirring out of the cellar and into the theaters. A new film about the Stalin era limns, in allegorical terms, the forbidden subject of the Terror.

Andrei Sakharov is freed, and promptly repeats his criticism of the intervention in Afghanistan. The Soviet Embassy in Washington has a sort of yuppie spokesman, designed for the television talk shows, adept in American idiom. Some find him slick, mendacious and menacing; I am more interested in the imagination that put him there to attempt what, so far as I can recall, no Russian regime has previously dared. Is this the touch of Mikhail Gorbachev? What does it mean? Can the Russians play at these democratic games without jeopardizing their own closed and secretive system?

Walter Cronkite used to close his CBS Evening News every night with the words, "That's the way it is," adding the date. Uncle Walter was and is an authoritative journalist, but the claim is silly. In journalism we never really know the way it is, and it is self-deception to claim it. Maybe we have a certain ability, being specialists at it, for reading the signs and symptoms of the day. But what do we really know of the tidal stresses at work beneath the surface that we glide over in print and broadcast?

"Crisis," "breakthrough" and other journalistic words implying 24-hour upheavals should be banned. We need a new vocabulary. How about "glacial"? The late Harry Golden, a journalist with an eye for the permanent, once wrote a small essay: "Why I Never Bawled Out a Waitress." Listen, said Harry, if you're fretting about the after-lunch appointment, or waiting for a glass of water, minutes and seconds can seem eternal. But if you think of the problem in galactic terms, in terms of light-years, it makes for patience the least cultivated of the American virtues.

Yes, come to think of it: If I made New Year's resolutions, one would be to think of the message of the galaxies and glaciers, as well as of the sudden downpours. The despotism of calendar and clock is, after all, in our own imaginations and nowhere else.

Washington Post Writers Group.

## LETTERS TO THE EDITOR

## How Could Arms Sales to Iran Promote Peace?

From the outset of the ayatollah's revolution, his claims of confronting the United States and Israel have been a subject of ridicule among educated Iranians, who regard the United States and Britain as the chief culprits behind the whole fiasco in Iran. The ayatollah's whole American and Israeli so as to confuse the illiterate majority of Iranians.

Ronald Reagan has given conflicting answers for delivering arms directly or indirectly to cultivate "moderates" in Iran; to obtain the release of hostages in Lebanon; to help end the Iraq-Iran war. But if sending weapons to a country at war could promote peace, the question arises: What do you send a country if you want it to make war on a neighbor?

M.H. RAYATPOUR, Geneva.

As Washington gears up for another lengthy, costly and boring round of negotiations, the main point is overlooked. No one seems concerned about

bringing peace to the Middle East (or Central America). Everyone seems to want the Iraqis and Iranians to kill each other off. No one seems to care that some of the fighting is done by 12-year-olds, least of all Israel.

KARL JOHN KRAUSE, Paris.

There have been suggestions that U.S. arms shipments to Iran — admittedly rather foolish — somehow transferred responsibility for a barbarous war from the warring parties to the Reagan administration. This glib argument may be politically satisfying to some, but it obscures the indifference to their people of two inhumane governments.

JIM ZAMBELLI, Sandbank, Scotland.

We in the Middle East have suffered long enough from two devastating wars: the Iran-Iraq war and the civil war in Lebanon. Both are exhausting the hu-

man and economic resources of the countries involved, while enriching the industries of arms-producing states.

As a superpower, America could achieve a lot if it opened a wider door for unbiased communication. America's voice should be heard favoring peace and dialogue — a dialogue that would gain the confidence of the Arab population instead of alienating it.

Let it be known that the original American image, the original spirit of freedom and peace that the United States stands for, is also the aspiration of the people in the Middle East.

NADA AMAD, Vienna.

With confidence in the justice of U.S. foreign policy at its lowest point in history, would not this be the moment for America finally to become a mediator between Israel and the Moslems world?

If the United States had followed a constructive, impartial foreign policy in the Middle East from the beginning, Americans would not be hiding from

terrorists, they would not be afraid to travel and work in the Middle East today and there might even be peace in that potentially productive region.

JOHN F. MASON, Barcelona.

Secretary of State George Shultz and Defense Secretary Casper Weinberger kept peddling diplomatic and military policies structured to isolate terrorist-sponsoring Iran, knowing that they were fronting for (while opposed to) White House charades camouflaging National Security Council agents who were acting under presidential orders to sell arms to Iran. Neither Mr. Shultz nor Mr. Weinberger chose to confront the president and resign before discovery of the scam.

Kurt Waldheim is caught in the web of past relationships to wartime atrocities by Nazi officials (not comparable in any way to the Iran fiasco) and is practically persona non grata worldwide. He is judged guilty of having failed to protest against Hitler, no less. Rather different risk-taking than for two tough civilians

to stonewall genial Ronald Reagan. Had Secretaries Shultz and Weinberger faced Mr. Reagan at the start of his futile misadventures, they might have swung the White House pilot back into the mainstream of American ideals, as he preaches them so often to others. If not, they had only their jobs to lose.

DAVID DOUGLAS DUNCAN, New York.

Would there be such an uproar if the profits from the arms deals were being diverted to a really needy cause — Ethiopia, for instance? I hope the diversion will not blur the basic question: Why was Washington trading with Iran?

PATRICK BELDING, Madrid.

Is there anything new about the superpowers funding opposite sides in a war, or changing sides during that war, or supplying each side simultaneously through intermediaries? As the various powers research and build more sophisticated weapons, the question of what to

do with obsolete stockpiles arises. There is nothing new in "Iranagate."

It has become a full-blown scandal because me-now Reaganism ended with the Democratic Party's strong showing in the November elections. It has become imperative for the Republicans to stand off from the administration so as to avoid losing the White House.

Economic issues will decide the presidency in 1988, not arms sale scandals. The Republicans have given the Democrats new life, but it is the deficit and not the Iran-contra fiasco, that has the American people worried.

BROOKE MAKLER, Paris.

For months we were led to believe that it was the negotiating skills of Terry White, representing the archbishop of Canterbury, that brought the release of hostages. Now we wonder whether Mr. White was a genuine negotiator or just a front man for the Americans.

EMIL TROTMAN, Brussels.

## ARTS / LEISURE

## The New Age Of Mind Music

By Mike Zwerin

PARIS — In a recent article on New Age music, Billboard magazine described it as "eclectic, non-trendy, contemporary instrumental fare which is selling in significant and ever-growing quantities." Detractors call it "baby-boom aesthetic" and "music for the quiche and Volvo set."

Hypnotic, an escape from all that bad news. New Age music searches for interest in boredom, for humanity in facelessness, for good ecology. Being non-vocal, there are no language barriers. It fuses African percussion, Caribbean steel drums, folk and baroque music, minimalism, and acoustic and electronic elements. With traces back to Satie, Debussy and Gustav Holst, New Age took contemporary form in the '60s, along with the "raga" and alternate lifestyles involving macrobiotics, marijuana and meditation.

The clarinetist Tony Scott's 1964 "Music For Zen Meditation" has been called the first New Age album, followed by Paul Horn's "Inside the Taj Mahal" and Oregon's "Music of Another Era." Keith Jarrett's "Köln Concert" was an early inspiration for the successful New Age pianist George Winston. Tangerine Dream, Brian Eno, Jean-Michel Jarre and Vangelis layered electronics on top of a philosophical bass provided by the minimalist Terry Riley. La Monte Young, Philip Glass and Steve Reich.

Lumping so many diverse musicians under one style is bound to be misleading. Most of them object to being called "New Age," the way most jazz musicians in the '40s and

'50s objected to being called beboppers. As Duke Ellington said, there's only good and bad music. From a marketing point of view, however, they do have something in common. New Age makes records with long shelf lives. Although most are not on the charts, they frequently total six-figure sales over five years.

The record label most closely associated with the style is the 10-year-old Windham Hill Records, which estimates a \$30 million gross in 1986. But its founder and chief executive officer Will Ackerman told Cash Box Magazine: "Anybody that harkens back to the beginnings of this company knows that we didn't get into this because we thought we were going to make a quick buck — the music was and is genuinely heartfelt."

A Windham Hill artist, the keyboardist and trumpeter Mark Isham, says that New Age music involves "none of the compositional techniques of Western music. It has nothing to do with virtuosity, swing or improvisational interaction. This music has other ends in mind — spiritual ends, or even medical ends."

One of the best known New Age names is a harpist, Andreas Vollenweider's "Down to the Moon" has been a best seller for 21 weeks. His previous albums have been chart mainstays throughout most of the '80s. Vollenweider, who is Swiss, says: "I try and create a kind of invisible theater, a mind movie. I try and make a carpet on which listeners can fly away. I would like to be the starter of a creative process so that listeners can make up their own stories." While working



Harpist Vollenweider: "A kind of invisible theater."

as a musical therapist, Vollenweider used hypnosis and now he says he investigates "the bridge between the conscious and the unconscious."

This is dangerously close to making music for unconscious people. New Age rests on the premise of choice of two levels — the music is interesting enough to listen to yet modest enough to stay in the background. Much of it fits only the second level. New Age music is generally more interesting to read about than listen to.

This "quiet fusion" is making a lot of noise in the bank. Audio retailers estimate it to be between 3 and 5 percent of sales. Major labels and newly formed independent record companies are moving quickly to take advantage of an expanding market. "New Age" will be a new category in the next Grammy awards. A poll by Windham Hill indicates that its audience includes both students from 18 to 25 and

"young urban professionals" from 25 to 40.

Windham Hill's Ackerman, 36, resembles a grown-up beach boy, with golden hair, tan skin and mischievous sleepy eyes. He wears jeans to the office and drives a Mercedes because "anything else would confuse people I do business with." He describes his customers as "people who are very much like my own friends — college-educated, discerning people who contribute culturally, professionally and financially to society. But the dictates of the major media leave them cold."

"They find TV fare and advertising in general tedious. So they are mainstream but at the same time form a kind of counter-culture within it. They are disenfranchised. This is very much a logical offshoot of the idealism of the '60s, but they just cannot accept the music that's being fed the public, stock and barrel."

## Need for a Classic Background

By Robert Cushman

LONDON — The year ended in the London theater with the announcement of blighted hopes for 1987. The Arts Council, dispensing largesse for the coming year, awarded both the National Theatre and the Royal Shakespeare Company standby grants. Inflation, of course, is not standing still, so the resources of both companies have in effect been cut.

The RSC's official response was philosophic: it was disappointed, but appreciated that the Arts Council had its financial problems. The National was a lot firmer, a lot more bitter. If, said Peter Hall, the Arts Council had not been so subservient to the government in previous years it would not be in such a mess now. He also declared that the Arts Council's implicit blackmail of the government — "If you don't give us more money a major problem will have to be solved and you'll look very silly" — was quite ineffective; if Britain lost a major theater, the government wouldn't mind a bit.

He is probably right. Theaters are regarded in official circles as troublesome things, always likely to cancel out a respectable Shakespeare production with something new and vaguely unpatriotic: "The Romans in Britain," say, or "Frasca." Why, the backbenches mumble, should we pay people to criticize us? It is of course the mark of a healthy society that it is ready to do just that, but those in power will never believe it; witness the constant run-ins of governments of all complexions with the BBC.

As it happens, the National's past year has been, in these terms, remarkably uncontroversial. The nearest it got to political drama was "The Petition," Brian Clark's antic-nuclear two-hander. On its own theatrical terms it wasn't bad, but those terms were cozy and old-fashioned. And if the play was thought to be such an addendum to the South Bank repertoire, why wasn't it allowed to adorn it a bit

longer? In fact, it went, with its two visiting stars Rosemary Harris and John Mills, straight into the West End, where it rather quickly died, a commercial hook-up that failed to be commercial.

It was a lightweight National year in other ways. The repertoire was filled with old English farces

strict allegiance to great world drama, even of a subsidized organization's responsibility to the taxpayer. It is the far more fundamental question of a theater's — any theater's — obligation to its audience. There is nothing wrong with reviving popular favorites — the best thing to happen in London this year was a West End revival of J.B. Priestley's old chestnut "When We Are Married."

But at the National these fun plays were not, for the most part, fun. They seemed dwarfed by their surroundings. This is a constant problem for the National, how to find plays spiritually or physically big enough to fill the vast spaces of the Olivier and the Lyttelton.

It is even worse for the RSC, working in London in the yawning cavern of the Barbican. Where do they go after Shakespeare? It was an acute problem this year since they had only four Shakespeare plays to bring down from the previous year at Stratford, none of them earth-shaking, and then had to vamp till ready. They tried political-historical epics, and even Feydeau farce. None of it worked. Then, most bizarrely, they resurrected John Whiting's "A Penny for a Song," and it filled the stage effortlessly. You never can tell.

Well, no, in one important respect, you can. "A Penny for a Song" was a play with which actors and directors were transparently in love; and that love carried. It is what has often been missing from the work of both companies, committed to turning out products to fill the schedules.

It could be found at Stratford where the RSC opened its new Swan Theatre, dedicated to Shakespeare's contemporaries and imaginatively modeled on their playhouses. It proved to be a welcoming, involving space and one sensed the actors' pleasure in digging into unfamiliar texts in intimate surroundings. Of four inaugural shows all were enjoyable and two, "Every Man in His Humour" and "The Fair Maid of the West," were major, both models of relaxed inventiveness.

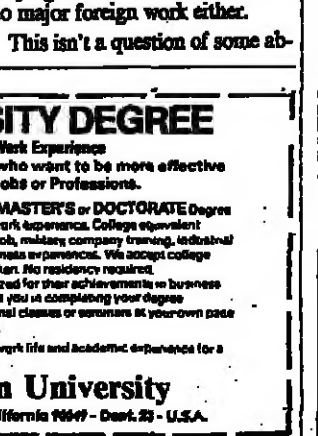
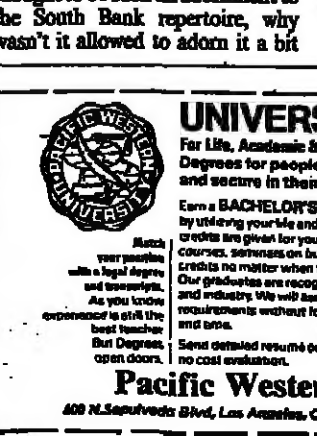
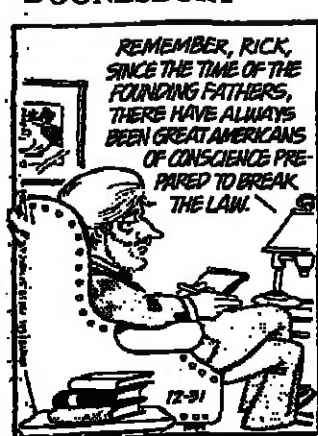
Pleasure was given and taken, too, at the Royal Court, where Alan Bennett's "Kafka's Dick" afforded a lukewarm reception by the critics, was actually the play of the year, a hilarious and many-tentacled portrait of an artist and his public that rivaled Tom Stoppard at his best.

It abounded on the outskirts of London at the Lyric Theatre, Hammermith, where two obstreperous 20th-century classics — "The House of Bernarda Alba" and "The Infernal Machine" — were brought pulsatingly to life by committed directors out of the usual run: Nuria Espert, female and foreign, and Simon Callow, actor. They involved star actresses — Glenda Jackson, Joan Plowright, Maggie Smith — working, presumably, for peanuts.

It is tempting to say that this is the kind of work the National and RSC should be doing. Actually it is the kind of work they should be surpassing.

Robert Cushman is a London-based theater critic and broadcaster.

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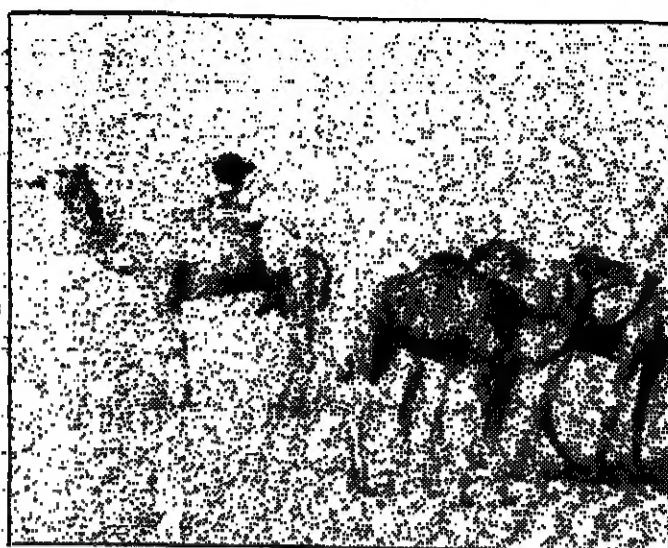


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# MAURITANIA

## THE OUTLOOK FOR 1987



The shifting dunes of the Sahara come right up to the Atlantic Ocean in Mauritania. Except for a narrow green strip on the country's southern border along the Senegal River, the landscape is stark — mysterious and fascinating for those accustomed to a European environment. Scarcely anything interrupts the monochromatic pattern of blue sky above and beige sand below.

Nouakchott, the nation's capital, rises from the relentlessly flat desert plain just a couple of miles inland from a point near the middle of Mauritania's 550-kilometer Atlantic coastline. "La capitale du sable" ("the sand capital"), some residents dub the well-laid-out city, unkindly stating the obvious. The real name of the city means "she-camel of the desert"; it is a far more appropriate analogy.

Perhaps as many as one in three Mauritania's lives in Nouakchott, many in rented or makeshift housing on the outskirts. They arrived when one or another of the country's frequent and prolonged droughts made their nomadic Sahelian livelihoods no longer possible. The government has tried to encourage a return to the land

since rain began to fall in 1985, but for many, a wandering, pastoral lifestyle will not be resumed.

Housing is being built in areas like Boubdida and Tadjon, but not enough resources are available to meet the need, nor can the economy create enough jobs to sustain the city's half-million urban-dwellers.

Surface water, not at all surprisingly, is virtually non-existent. What is surprising is that plenty of water lies underneath the city, and well water is available. Water vendors come to fill-up points with donkey carts on which they have mounted 200-liter metal drums, fill the tanks and head off for the peripheral residential areas to sell the scarce commodity for 150 puguia (U.S.\$2) per 200-liter barrel.

Some small shrubs grow here and there, providing at least meager grazing for an amazingly numerous complement of goats. The only trees are those planted in neat rows around certain important buildings and nurtured carefully.

Firewood is virtually unavailable; 80 percent of the city's people cook with charcoal.

The official price of firewood doubled in October from UM15 to UM30 (40 cents) per kilogram, although the price is "not fixed," a local resident sighed.

Yes, tents and camels can be found in Nouakchott. But most people replace tents with more permanent, if still makeshift, structures when they can, and camels rank a poor third in the transport sector to motor vehicles and donkeys. The motor vehicles, including Mercedes Benz buses and mostly Peugeot and Renault cars, outnumber the donkeys in the city center; in the suburbs, it's the other way around.

The national dress, at least for the masculine half of the population, is the *boubou*. It is accepted and worn everywhere — well, almost everywhere. On solemn military occasions like the raising of the flag on Restructuration Day (Dec. 12), boubous were deemed not sufficiently in keeping with the disciplined formality the moment called for.

Mauritanian boubous are made from several meters of cloth each, always in solid white or solid blue. The cotton cloth, all imported, is often

woven with patriotic patterns of the star and crescent which adorn the national flag. The long, flowing garments are embroidered in beige thread across the chest, on the diagonal chest pocket and about the neck. Dozens of tailors can be seen embroidering boubous on sewing machines mounted on tables in the *grand marché* of Nouakchott, some using ornate vintage Bernina and others newer models reflecting a more recent diversity of import sourcing.

In offices, Mauritians seem to be continually hauling the voluminous garments up over their shoulders out of the way, only to have them fall down again. It's when the wind whips up that the boubou's real practicality becomes apparent. Sometimes the wind fills the air with sand and the sky with a rust-colored haze. On those days, boubous can be wrapped around the hair, nose and mouth to act as a filter.

Mauritania is dry in the potatory as well as the climatic sense. The country has no brewery, and the sale of alcohol is strictly forbidden. Foreigners can find a fair variety of the usual imported intoxicants in a

few hotels. But it is tea which quenches the Mauritanian thirst.

Made hot, strong, sweet and flavored with mint, the national drink is poured out of metal teapots from high above into small glasses. Mauritians usually drink their tea straight down in one go; another trayful will be coming round in 20 minutes or so.

Mauritania — land of the Maures (Moors) — is the westernmost of the string of countries straddling the Sahara, where North Africa meets sub-Saharan Africa. Shakespeare's Othello was styled a Moor, although the Bard's brooding hero seems understandably far removed from any living Moor. It was nearly 500 years ago that the Moor's rule over Spain ended, with the fall in 1492 of their last stronghold, Granada. In

the middle of a roundabout on the outskirts of Nouakchott, a simple monument linking the Mauritanian and Spanish flags stands as a lone, silent reminder of a historic link half a millennium ago — and of present-day economic cooperation. Spain is one of only three EEC countries to have an embassy in Nouakchott; the other two are France and West Germany.

Moors speak a Hassaniyah dialect of Arabic. Nouakchott's population also includes sizeable numbers of Wolof, Soininke, Toucouleur and Peulh, who come from the southern part of the country. Southern women, often wearing their bright, multicolored clothing with matching head scarves, but sometimes dressed in the latest fashions and hairstyles from Abidjan or Dakar, hold most of the clerical posts.

Moorish women, well-wrapped-up in the soft gauze of their *voiles* (veils), also work, but far more seldom.

When President Taya hosted a dinner under several tents in the walled garden of the Presidential Palace on December 12, guests sat on hassocks around low tables dining on couscous and whole roast lamb. With few exceptions, men and women sat at separate tables. The country's links to the other countries of the Arab League were apparent. But when the entertainers began to perform, Mauritania's links to the other countries of West Africa came through loud and clear. A single group, whose three women singers wore Moorish styles, switched easily back and forth from an evocative Arabic lilt to a lively rhythmic number reminiscent of the Lingala sound

that summons young Africans onto dance floors from Mombasa to Mbabane to Monrovia.

It is religion which constitutes a common bond throughout the nation in the Islamic Republic of Mauritania. Last week in Nouakchott, two young Mauritians provided a five-minute summary of the virtues of their religion. "Islam gives me everything I need," said one, slightly puzzled that this single statement had not instantly won a new convert. He was speaking on a personal basis; it had not been his intention to enunciate a national philosophy, but he may well have done so after all.

— Linda Van Buren

Linda Van Buren is the editor of "African Business" magazine

### The President's Speech: Economic Upswing to Continue

"A year of work for our people, of good rainfall for our country and of intense governmental activity" — that is how Colonel Masouya Ould Sid'Ahmed Taya, President of Mauritania, described the period between Dec. 12, 1985 and Dec. 12, 1986 — his second year in office.

Speaking in French at the Salle de Conférence de l'Assemblée de l'Indépendance in Nouakchott on Restructuration Day (Dec. 12), he laid the overwhelming emphasis of his speech on economic matters.

The country's medium-term Programme for Economic and Financial Redress, he reminded the nation, has these three main objectives:

- to maintain real annual growth of four percent during the 1987-88 period;
  - to balance the budget from 1986 onwards; and
  - to reduce the deficit on the current account of the balance of payments from 26 percent of gross domestic product (GDP) in 1984 to less than 10 percent in 1988.
- In meeting these objectives, Mauritania has continued to improve its performance. From 2.5 percent negative growth in 1984, the economy returned to positive growth in 1985, challenging up a 3.1 percent rate, and the target of four percent was reached in 1986, thanks to increased agricultural production and an upturn in investments.

The balance of payments for the period of Jan. 1 to Sept. 30, 1986 registered a deficit of UM692 million, as against a shortfall of UM1,371 million for the same nine-month period in 1985. The deficit has, then, been virtually halved.

The President pointed to a number of reform measures



Colonel Masouya Ould Sid'Ahmed Taya.

which have already been carried out: an increase in cereal (producer) prices, a greater liberalization of many prices, a rehabilitation of public enterprises, and a rigorous rationalization of the public-sector investment program.

He cited the example of Soneldec, the loss-making national water and electricity supply company which is undergoing a rehabilitation with co-financing by the World Bank, France's Caisse Centrale de Coopération Économique (CCCE) and the Fonds d'Aide et de Coopération (FAC), and European investment and development banks.

Other studies should begin soon on further rehabilitation of the Nouakchott public-transport company STPN, the fuel-distribution firm SMCPP, the development organization Socogim, and the pharmaceuticals and cosmetics group Pharmarim.

Fishing, the President acknowledged, has become the economy's real growth sector.

Mauritania's fishing fleet now comprises 127 vessels for deep-water fishing, of which 90 are equipped with freezing chambers, and another 30 boats operated by joint ventures compete for the pelagic catch. Fishing agreements with "friendly countries" permit 41 vessels to fish for specific catches like tuna, cod, lobster and shrimp. Improvements in the surveillance system have enabled Mauritania to police its own waters better. A reform of the fishing code is now in progress.

New developments in the fishing sector during 1986 have included:

- A canning and distribution network, with Danish financing, which will help expand the availability of fish caught by Mauritania's artisan fishermen over a wider area of the country.
- A system of "maritime credit," which will help artisan fishermen to finance their own development activities; and

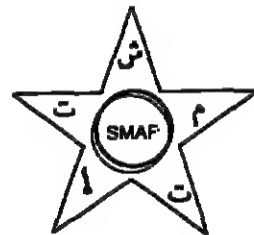
- Two new fishing companies, which have been created with Tunisia and Abu Dhabi.

Fishing is now the most important single sector of the economy in terms of earnings.

In mining, the second-biggest sector in revenue earned, emphasis has been on increasing the efficiency of the umbrella mining joint-venture company SNIM, of which the Mauritanian government owns 70.39 percent, and on creating conditions that would encourage the exploitation of the country's other mineral resources. In the first nine months of 1986, SNIM was able to reduce its cost of production per ton of iron ore by five percent and its global expenses by 12 percent. Iron-ore sales in the same nine months reached a volume of 6.55 million metric tons and a value of UM7,988.88 million.

In agriculture, the sector gave priority to development spending. Now under cultivation are 244,000 hectares, of which 96,000 are irrigated. Early estimates of cereal output in 1986/87, made in conjunction with the CILSS (Comité Permanent Inter-États de Lutte Contre la Sécheresse dans le Sahel) and the FAO (Food and Agriculture Organisation), are on the order of 95,000 metric tons, the President indicated.

This level, 58 percent above the previous season, represents 32 percent of the target set in the Programme for Economic and Financial Redress. The record harvest results from better availability to producers, in terms of both quantity and quality, of seeds, fertilizers, fuel and other agricultural necessities. (Continued on Page 11)



SOCIÉTÉ MAURITANIE NNE  
D'ASSURANCE  
ET DE REASSURANCE

**S.M.A.R.**

(MAURITANIAN INSURANCE AND  
REINSURANCE COMPANY)

Avenue Gamal Abdel Nasser,  
P.O. Box 163, Nouakchott  
Telex: 527. Tel: 518-18, 526-50

A national company with a capital of 100 million Ouguiyas, S.M.A.R. is the only operator in the insurance sector on the Mauritanian market.

The company is involved in the preservation and protection of individual and collective property and heritage by offering all types of insurance (damages, personal insurance) and all forms of guarantees. Its successful operation in the insurance industry despite difficult operating conditions is undisputed.

In 10 years' business activity the company has achieved a five-fold increase in turnover, improved its solvency margin, which is now largely in line with international standards, trained a high quality technical staff, and contributed in a positive manner to the economic development of the country by the diversity of its investments and the size of its deposits.

S.M.A.R. enjoys confidential and privileged working relationships with the largest insurance and reinsurance companies in the world.

S.M.A.R. represents security within the country and credibility to the outside world.

**C.N.S.S.**

Caisse Nationale de Sécurité Sociale  
de Mauritanie

C.B.P. 390, B.P. 224, Nouakchott  
Tel.: 52029

A government agency for  
economic and social development  
set up to assist workers.



Mr. Kane N'Diawar,  
Director General, C.N.S.S.

Law 67 039 of 3rd February 1967 entrusted the National Treasury for Social Security (CNSS) with the task of distributing and paying benefits and allowances to workers and their families within the framework of the Mauritanian social security system.

The following are covered by our social security system:

- Workers subject to the Labour Code or to the Merchant Navy Code;
- Civil Servants
- Students in training colleges
- Trainees and probationers
- Apprentices

At the present time the CNSS manages the following three social security sectors:

- Family benefits and allowances
- Pensions
- Professional risks.

The CNSS also manages a health and social action fund, which complements the functions mentioned above, and intends to set up regional offices in order to improve the services it provides to its clientele.



## Travel: Difficult, yet Infinitely Rewarding

Mauritania, certainly one of the world's last exotic locales, is a challenging destination for the hardy and intrepid adventurer. Little infrastructure and few amenities make tourist travel difficult and time-consuming. However, for those with a sense of adventure, taking a trek in a four-wheel-drive vehicle to Chinguetti or traveling along unmarked paths to Qualata can weave the same spell of romance as did epic voyages of the past.

Few roads lead to Nouakchott, the capital of Mauritania. Most tourists either fly there or drive north from Senegal. There are few car-rental facilities so most tourists who intend inland travel drive their own vehicles, preferably hardy four-wheel-drive models. Nouakchott, capital since Mauritania's independence from French West Africa, roughly 25 years ago, offers little of interest to the tourist. The town, built for only 25,000, now supports close to one-half million, most in crude villages surrounding most of the capital.

The coastline, only three kilometers from Nouakchott, is yet unspoiled and undeveloped. It serves as a refreshing getaway spot from the heat and congestion of the city. Anyone with a four-wheel drive can cruise for miles north or south along the beach when the tide is down and pitch a camp before the sun sets.

For those who wish to explore inland and see a way of life essentially untouched by the modern world, Mauritania has three distinct geographic regions, each attractive in its own right. The river zone in the south follows the Senegal River, a natural border. This narrow belt is currently the sole center of the country's agriculture. From there north to Nouakchott extends the Sahelian zone with Savannah grasslands, once rich and wet enough to support the large herds of camel, goat and sheep



Mauritania is a challenging destination for the hardy and intrepid adventurer.

which sustained the nomadic way of life.

The Saharan zone, occupying the upper two-thirds of Mauritania, is characterized by shifting dunes, rock outcroppings and rugged mountain plateaus with elevations of more than 1,500 feet. Scant rainfall permits very little vegetation, although date palms are cultivated around the larger oases. This is the most barren and least traveled region of Mauritania, its landscape alternating between vast sand dunes and the rocky, flat surfaces of a lunar view.

A few sites inland attract the well-provisioned tourist. Chinguetti, the seventh holy city of Islam, is about a two-day drive northeast from Nouakchott. On the way there, one can veer off for an hour's drive to visit the oasis of Tefrit, a slender belt of palm trees which ascends a deep and narrow cleft

between two steep cliffs. Outside the shady grove is the heat and dust of the Sahel, but move a few feet inside and the atmosphere is moist and cool. At the base of the oasis is a small village whose appearance differs little from a Neolithic settlement.

Chinguetti itself is a small town with a famous Islamic past. Some of its houses and its mosque date to the 13th century. Although its glory is long since faded, its library of Islamic illuminated manuscripts attests to the area's importance as a center of Islamic learning. The local marabout will open the small room with metal-framed cabinets housing hundreds of these manuscripts dating from the 16th century. Under careful supervision the tourist may even handle them and marvel at the bold colors to the illuminations, still brilliant today thanks to the dry climate.

Other sites include the ancient cities of Tichit and Rachid, both difficult to reach, even with a guide, but well

The 13th-century mosque, with its minaret of dried brick and timbered supports, is typical of this period and its counterparts can be found in Timbuktoo.

For about U.S.\$30, one can hire a guide to the oasis town of Quadane. He will know not only the unmarked paths between the dunes, but also the mine fields left behind from Mauritania's involvement in Saharan war during the late 1970s. Quadane's mud-brick houses and narrow, winding streets lie atop a rocky cog. On one side is the old deserted town, reminiscent of an ancient city with crumbling walls and empty streets. At its foot are the irrigated fields which support agriculture as well as the traditional goat and sheep herding.

Other sites include the ancient cities of Tichit and Rachid, both difficult to reach, even with a guide, but well

worth the effort. Qualata in the far southeast corner near the Malian border was another famous religious center and is primarily known for its unique style of decorative houses and courtyards. Unfortunately, as in many areas of Mauritania, its wells are drying up, forcing many to seek refuge in the larger cities to the west. Nouadhibou is the fishing and industrial capital of Mauritania and is best reached by air from Nouakchott. Just south of Nouadhibou is a fishing camp. In fact, the Mauritanian coastline boasts one of the world's richest fisheries. For the avid fisherman, beach fishing alone will provide an excellent catch.

Asar, about one day's drive from Nouakchott, was one of the capitals of the Almoravid kingdom and a caravan base for the trans-Saharan salt trade.

Tourist facilities are virtually nonexistent. A few hotels operate in Nouakchott, such as the Chinguetti, the El Sabab, the Park, the El Aman, and the newly opened Novotel. Inland, the tourist must be self-sufficient in drinking water, fuel and camping supplies. In the villages, however, Bedouin hospitality may provide some comforts for the weary traveler.

There are few paved roads, so driving is often rough and slow, and can be dangerous. Intense heat through most of the year necessitates carrying enough liquids to prevent rapid dehydration. The most pleasant months for any extended travel are November through April, although even then the sandstorms can be a problem.

If travel is difficult and the amenities few, the determined traveler will be well rewarded for his efforts by a first-hand glimpse of a way of life so untouched and remote. To the western eye, scenes such as a nomadic encampment or a herd of camels belong more properly in fiction, or on Hollywood sound stages.

—Derwood Staeben

Derwood Staeben is the U.S. Ambassador to Mauritania.

## Mauritania: Strong Roots, Rich Culture

Mauritania sits geographically, culturally and, to a lesser extent, politically on the divide between the nomadic, Arabic-speaking region of the North and the more sedentary, agricultural black Africans of the South. This position made the country the crossroads for much of the trans-Saharan trade in slaves, salt and gold. As such, it reflects a large degree of ethnic diversity from the interplay of these two cultures over the centuries.

Islam reached Mauritania by the southward migration of the Senhadja Berber confederation of tribes in the seventh century. By the 11th century, indigenous black African peoples who originally inhabited the area had been driven south to the Senegal river or enslaved by the nomadic Senhadja. Around 1040, southern Mauritania was overrun by a group of Islamic warrior monks (the Almoravids) who, during the rest of the century, enlarged their empire to extend into recent day Mauritania, Morocco, and much of southern Spain.

With the eclipse of the Almoravid empire, the Arabs began to dominate Mauritania despite the fierce resistance of the Berbers. Several groups of Yemeni bedouin Arabs turned south into Mauritania. They disrupted the trans-Saharan caravan trade and caused the routes to shift to the east, which in time led to the decline of Mauritania's trading towns. By the end of the 17th century one particular group, the Beni Hassan, dominated much of what is now Mauritania. The last effort by the native Berbers to oust the Arab invaders was the unsuccessful Mauritanian 30-years war, from 1644-1674.

The social structure established as a result has been maintained essentially intact to the present day. The descendants of the Beni Hassan warriors became the upper stratum of the



Fishing products ready for export at Nouadhibou.

Maur language of the country. Many of the Berber groups, however, remained their social equals, even while they became political vassals. They turned to clericalism and produced most of the region's marabouts: the men who still serve as the repositories and teachers of Islamic tradition.

In addition to the predominant group of white/black Maurs, Mauritania today is comprised of three African groups: the Toucouleur-Peul, Wolof and Soninke. Each has its own tribal language al-

though French is the official language and Hassaniya Arabic the national.

Mauritania has been a recognized political entity with defined borders only since independence in 1960. From the early years of the present century until 1960 it was part of the larger region known as French West Africa. Prior to that time, portions of present-day Mauritania were included in political systems based in Northwest Africa and in the Niger basin. With the coming of the (Continued on Page 12)

## MINISTERE DE LA PECHE ET DE L'ECONOMIE MARITIME

(The Ministry of Fisheries and Maritime Economy)

The development of the Fisheries Sector in Mauritania actually took off with the new policy on fisheries. That policy stipulated that the entire catch should be off-loaded at Nouadhibou. This inspired the provision of fishing tackle on a national scale and the setting-up of the Mauritanian Fisheries Marketing Board (MFMB). These are the three constituent elements of this new policy whose major objective is to ensure that the fishing sector wins through. Mauritania has very large resources of fish and, bearing in mind the periodic recurrence of drought, the world crisis and the war Mauritania had to put up with until 1978, these resources are vital for its development.

Indeed, the fishing policy has given a good account of itself since 1979 and has established its viability. There is of course still a great deal to be done to carry the policy to completion. For instance, there is the need to create the right environment, establish on the ground certain industries which will provide facilities for freezing the catch and exporting it in its frozen form, and stocking it as long as the market is favourable. There is every need to ensure that the problem of training of fishermen is tackled. Actually, the fishermen of Mauritania were denizens of a nomadic world. They now have to adapt to a new seafaring life and master the secrets of using novel equipment from abroad. Within this context, there is also the problem of developing the resources in fish, which must be tackled at a level which is tolerable. This is an imperative need which must be met if any premature depletion of fish stocks is to be avoided. Indeed, the fish population needs to be protected and shielded from predators who lie outside the country's ambit. This means constant supervision of Mauritania's coastline. Mauritania is bringing all its influence to bear on carrying through a number of projects designed to promote the rapid development of fishing. They relate to the following areas:

1. Naval repairs. As a matter of fact, Mauritania has a sizeable fleet and its Number One priority is to establish repair shipyards.
2. Infrastructure: developing the "Baie de repos" and Nouakchott harbour.
3. Industrialisation. Mauritania is striving hard to upgrade the fish caught, to ensure that it is exported either sliced or filleted. Hence the search for external partners interested in setting-up industries for fish processing at Nouadhibou.

It is clear that a new fisheries policy is being established, a policy which will be better structured than its 1979 prototype, and will be a substantial improvement on its predecessor. so far as it learns from the mistakes of the past. In point of fact, a sectoral study has been undertaken and financed by the Kuwaiti Fund, the World Bank, the French Economic Cooperation Fund, with supervisory staff supplied by FAO, working under the direction of a British Study Bureau known as the Crown Agency. In the light of the findings of that study, the broad lines and essential directions in which the new fisheries policy will operate, will be laid down. Mauritania intends to forge links with its partners, based on mutual respect and seriousness of purpose.

For further information please contact the Ministry of Fisheries and Maritime Economy:

Le Ministère de la Pêche et de l'Economie Maritime  
B.P. 137, Nouakchott  
Tel.: 52476 Telex: 595 MTN.

الشركة الموريتانية لتسويق الاسماك

S.M.C.P.

SOCIETE MAURITANIEENNE POUR LE COMMERCIALISATION DU POISSON  
The Mauritanian Fish Marketing Board



Cheikh El Afia Ould Mouhamed Khouns, Director General, S.M.C.P.

The Mauritanian Fish Marketing Board has had encouraging results compared with the position prior to its establishment. Indeed, the year 1985 records a turnover of \$105 million for exports totalling 60,000 tons, a figure out of all proportion to the statistics of previous years.

SMCP's importance is felt at three levels: first, as regards payments balances, secondly from the standpoint of actual physical infrastructure, and also as it is reflected in the Public Revenue in income from duties charged.

The 1985 catch exceeded all expectations: 220 million as against economic and financial projections of approximately 250 million. This substantial improvement was maintained in 1986, and in the first six months of that year a steady increase of 70% was registered compared with the position in 1985. This gives cause for optimism, since the actual turnover also showed an upswing of 70%. During the first six months of 1986 production rose by 10%, as a result of a 25% increase in the fishing fleet. The

increase was due in the main to a price rise on the international market, since output from the leading competitors - Spain and Morocco - was fairly low, which meant that demand outstripped supply.

SMCP enjoys good relations of trust and comradeship on the foreign market. It has three large outlets, the largest being Japan, which absorbs 48% of the tonnage. Quite a few contracts were signed with Japanese firms, thus guaranteeing the sale of a substantial percentage of SMCP's output. The second market is the European market comprising Italy, Spain and Greece. It is a stable market with remunerative prices representing 25% of the tonnage.

The only fly in the ointment, so to speak, as regards SMCP's marketing policy is the African Market, which has failed to absorb the scheduled tonnage estimated at exactly the same figure as the tonnage for Europe. The problem is due to the purchasing power of the African countries and, especially, to shortage of transport, which is a definite constraint. Such a situation compels African States to buy in small quantities, which hardly justifies chartering a cargo-transport. Add to this the fact that there are no regular lines of communication between Mauritania and Africa, and you have a major handicap. However, an attempt is being made to get round these difficulties by entering into stable contracts with serious-minded customers of substance who will become regular purchasers. In due course the problem will be solved.

Despite Road

MAUSOV-



## ADVERTISING SECTION

## ADVERTISING SECTION

## Despite Roadblocks, Transportation Pushes Forward

For centuries, the principal means of transport in the area was the camel. The beast of the desert, which was known in Egypt from the age of the Pharaohs, and subsequently in other regions of northern Africa, probably arrived in the Western Sahara desert in the 2nd or 3rd centuries A.D. Historians agree that camel transport revolutionized the way of life of the Saharawi nomads, who were the original inhabitants of the region (the Saharawi are among the ancestors of the present-day Moors).

Up to the beginning of the 20th century the camel continued to reign supreme, although the horse, with its greater military uses, came to occupy second place. The original transportation links across the Sahara, many of which are still clearly defined, were all camel routes. It was only with colonization, after 1900, that other forms of transport came to the new territory of Mauritania. The existence of the desert, and its impenetrability, as well as the fact that the territory was lightly ruled from St. Louis in Senegal until shortly before independence, meant that modern means of transport — such as road vehicles and aircraft — came late. Apart from the small towns along the Senegal River on the southern frontier, the only urban center was Port Etienne, a mixed-cargo port with a famous old airport associated with Jean Mermoz and Saint-Exupéry.

Tarred roads mainly exist in the far south part of the country: of a total 9,000-km network of mainly low-quality roads, less than 2,500 km are asphalted. Some of these are subject to serious problems of sanding over, notably the section of the Trans-Mauritanian highway, sometimes called the "Highway of Hope," which covers 1,100 km from Nouakchott to Nema in the southeast of the country, via Kiffa and Aioun el Atrous. Mauritania's other

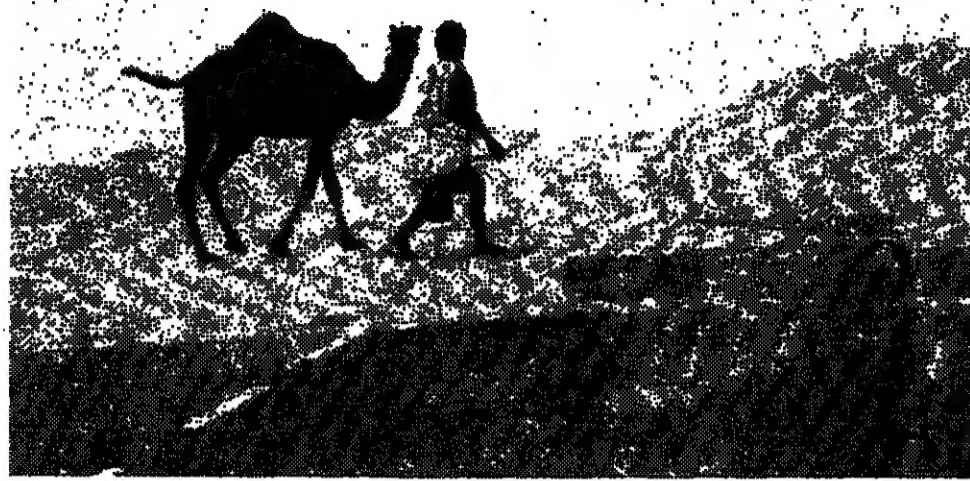
most celebrated road (in the old days it was known as the French Imperial Route No. 1) is not asphalted. It goes north into Algeria, along the edge of the frontier of the Western Sahara, along one of the old salt caravan routes to the north. The key arterial road from Nouakchott to Rosso will eventually form part of the ECOWAS coastal highway that will link Nouakchott to

road direct to El Rhein, for the movement of shift-workers resident in Zouerate.

The railway from Nouadhibou to the mining area is single-track (although there are facilities for trains to pass each other), and because of the risk of sanding over there is a maintenance team constantly on standby. Sand also imposes heavy wear and tear on rolling stock. There are normally two

than 11 million tons in 1974. Following fluctuations due to world recession, which hit the iron ore market in the late '70s and early '80s (in some years it was down to six or seven million tons) in 1985 ten million tons were exported from Nouadhibou.

Activity at the fishing port (the PAN — the Port Autonome de Nouadhibou by Nouadhibou town) has been in



Although there are many technological advances in the transportation sector, the camel is still a widely used means of transport in Mauritania.

Lagos via all the coastal capitals.

Mauritania's only railway was acquired after independence, and was built to service directly the exploitation of the Kedia iron ore deposits in the north of the country. Opened with the mines in 1963, the railway originally ran from Port Etienne (now Nouadhibou) on the coast for 650 km to the specially created mining town of Zouerate. Twenty years later a 40-km spur was constructed from F'Derik (formerly Port Goursaud) to the new El Rhein industrial area to enable the new Guelbs mining operation to start functioning; it was officially inaugurated in 1984. Zouerate is also connected by

or three trains a day (total train capacity is 10,000 tons of ore), which travel down loaded and return empty, although carrying produce equipment and passengers. Water is also delivered to people living alongside the track and also, absolutely essentially, to the town of Zouerate. The SNIM expects the capacity to be five trains a day by 1991 when the Guelbs scheme come fully into operation.

Nouadhibou has both a mineral port and a fishing port. The former, just inside Cap Blanc (near Nouadhibou at Casado), services the SNIM. From four million tons in 1965, the port saw an increase to more

constant expansion since the decision was taken in 1982 to unload the hauls of deepwater fish found within Mauritania's rich economic exclusion zone. In five years the haul more than tripled to over one million tons of fish, a remarkable performance. The capacity of the port could be further improved once it is dredged and the considerable number of wrecks raised.

Port facilities in Mauritania received an important addition in September 1986, when the new Chinese-built and financed deepwater port, the "Port de l'Amir," was opened by President Ould Sid Ahmed Taya. This replaces the old wharf at Nouakchott, which had many unsatisfactory features and no

natural shelter. This added to the construction problems for the Chinese engineers and laborers; nevertheless, after beginning the project in 1980, they were able to finish it some seven months ahead of schedule. It was financed by a \$150-million interest-free loan from the Chinese government, repayable over 50 years with a ten-year grace period.

The new port has a handling capacity of 500,000 tons a year, and one of its main virtues will be the elimination of the need to divert some 30 to 40 percent of traffic through Dakar during the winter months. It will also cut waiting time for vessels, and reduce the relatively high percentage of imported goods which were damaged on the barges which shipped them to the old wharf or when left on the piers.

The 585-meter port, which can accommodate three 10,000 to 15,000 hundred-weight vessels at one time, has been built very much for the future: its capacity is currently 40 percent more than the current needs of Nouakchott and its surrounding area. It is envisaged that the port will be used to export gypsum and possibly copper in two or three years' time.

The port's commercial fishing potential is also being actively studied: the haul on the beach alongside the Sahel hotel near Nouakchott is estimated at about five tons per day. Mauritania's planners also see the port as servicing a wider regional area, particularly in Mali, if it is possible to find financing for a road connection between the region of western Mali around Niara and Kayes to the Trans-Mauritanian highway at Nema. This could be an incentive not just to landlocked Mali in its search for alternative outlets to the sea, but could offer a stimulus to trade between the two countries.

The Senegal River ought to be a great transport arterial. In fact, it is more of a barrier, cutting Mauritania off from Senegal, than a vehicle for communication. The reason: for

many months of each year, the water level is too low to be navigable, a situation which has been even more chronic in the recent drought years. The possibility of using the river for shipping food and cash crops is something that will be looked at again once the two dams of the giant Senegal River scheme become operational.

The Diama Dam near the mouth of the river becomes operational shortly, and Mali's Nanantali Dam is due to open for business in 1988 or 1989. When the two dams are functioning it will be possible to regulate the waters of the river, and improve portions with a

view to navigation. At the moment there are three ferries, at Rosso, Bogho and Kaedi, but these are inefficient and unreliable. One immediate benefit of the completion of the Diama Dam is the road that runs along the top: for the first time, the Senegal River will be bridged, which will help immeasurably to improve communications southward to Senegal.

Mauritania has had to develop air transport, because of the difficulties of communications in the desert, although sandstorms and other hazards make this form of communications unpredictable. Because of distances and insufficiency of pas-

senger traffic it is an expensive proposition. Notwithstanding, Air Mauritania, which has been in existence since shortly after the country's independence, maintains a service to the major Class B airports at Aioun el Atrous, Akjoujt, Atar, F'Derik, Kaedi Kiffa and Mbout, as well as other sites. Nouadhibou has had a class A airport for years, and Nouakchott became one in the 1960s, although the runway still cannot accommodate jumbo jets. (French financing has recently been obtained for this improvement.) Air Mauritania also flies to Senegal.

— P.H. Bistouri

## Experiment in Democracy Generates Public Enthusiasm

Three weeks of intense campaigning culminated December 19 in Mauritania's first elections since independence in 1961. As promised by President Taya in the wake of a December 1984 coup, the ruling military regime has permitted municipal elections for city councils in Nouakchott and 12 other large municipalities. Up to four slates with 36 candidates each were allowed to participate per municipality, with a subsequent run-off between two top slates.

Although political parties are still forbidden, each slate espouses a political program for developing local resources and providing community services. Public debate of local issues is encouraged, although debate of national issues is still not allowed. Each slate, represented by the color blue, white, rose or yellow, must be tribally and ethnically balanced to avoid factionalism and partisan politics. The regime insisted upon equal representation based on population estimates of the different ethnic groups for each municipality.

During the three weeks of campaigning, there were street rallies, demonstrations of sup-

port and party speeches. Flags identifying one's affiliation were seen flying from houses and businesses or attached to vehicles. In a show of strength several parties rented long-bed transport trucks and hauled hundreds of supporters around Nouakchott in a convoy. In the final days each party led a march of supporters to the presidential palace to show their support for the regime which is nurturing this experiment in democracy.

On election day itself, about 60 voting stations were open from 6:00 a.m. to 7:00 p.m. Many voters arrived as early as 4:30 a.m. in anticipation of a large voter turnout. Voting stations were crowded but orderly and the day passed without incident. Some voters were unable to obtain their electoral cards in time, but were allowed to vote anyway upon presentation of their electoral number and an identity card. Of the 104,000 registered voters, ap-

proximately 50 percent turned out in Nouakchott to vote. The blue slate took the lead with 22,000 votes, the white second with 15,000, rose third with 7,000 and the yellow last with 4,500.

Since no party won 51 percent of the total, there was a run-off election between the blue and white slates on December 26. Blue gained 19 seats and white 17 seats.

If this first experiment in democratic elections is successful, the regime will extend the political franchise to the smaller municipalities and has promised future elections at the district and department levels. There is even street talk that legislative elections may be in the not-too-distant future. Although this tentative step towards representative government is limited in scope, the regime has at least proven its commitment to the evolution of democracy in Mauritania.

**MAURITANIA**  
THE OUTLOOK FOR 1987

## MAUSOV-SEM

Société Mauritano-Soviétique de Pêche  
(Mauritano-Soviet Fishing Co.)

Semi-public corporation with capital of 11,390,000 UM  
Registered office: Nouadhibou Harbour Zone, P.O. Box 255  
Telephone: 45299 Telex: 422 MTN  
Representation: Nouakchott Ikt K 21. Telephone: 512-68

MAUSOV, in which the state of Mauritania is the majority shareholder, intends to participate actively in the economic development of the country, and has set itself the following objectives:

- Fishing for fish and other marine produce
- Development of shore-based storage and preservation facilities.

Following its investment programme, MAUSOV has already built and installed: A refrigeration plant at Nouadhibou, comprising:

- 2 cold rooms each with a storage capacity of 1500 tonnes (-25°C)
- Appropriate handling equipment and facilities

MAUSOV has also embarked on an ambitious medium- and long-term investment programme involving:

- Expansion and modernisation of its fleet
- Construction and operation of a ship repair yard together with the necessary infrastructure and back-up facilities.

MAUSOV is expanding, industrially and commercially oriented company involved in the efficient exploitation and conservation of the national fishing stock and marine resources.

MAUSOV is an example of harmonious international co-operation and a dynamic force for integration of the regional economy.



**BAMIS**

## BACKGROUND

**LEGAL FRAMEWORK:**  
BAMIS was established on 21 September 1986 as a joint stock company subject to Mauritanian law.

**EQUITY:**  
Subscribed capital amounts to UM: 500,000,000  
• 80 per cent: AL BARAKA GROUP (Jeddah)  
• 40 per cent: Private businessmen of Mauritania  
• 20 per cent: Central Bank of Mauritania.

## GENERAL MANAGEMENT:

- CHEIKH SALAH ABDALLAH KAMEL  
Chairman of the Board of Directors
- Mr. AHMED SIDI BABA  
Deputy Chairman
- Mr. SIDI MOHAMED MOHAMED EL EMINE  
General Manager

## SERVICES

All of BAMIS activities are conducted on a non-interest basis. The following services are provided:

## BANKING SERVICES:

BAMIS performs all banking services both on its own behalf and on behalf of its foreign or domestic clients.

## a) Deposit Accounts

The bank receives funds in the form of entries into accounts and on the basis of compensating withdrawals and deposits. Deposits fall within the following categories:

**Call Deposits Accounts:** funds are deposited with the bank which is authorized to utilize them. The bank receives any profits and bears any losses. There are no conditions with regard to deposits and withdrawals.

**Non-Specific Deposit Accounts:** funds are deposited with the bank by depositors wishing to participate in its financing of economic activities. In return depositors receive a set percentage of net profits in accordance with the conditions of the account in which they are recorded.

**Specific Deposit Accounts:** funds are deposited by depositors wishing to authorize the bank to invest in a specific project or for a particular objective. The depositor receives a share of net profit generated by each specific project.

b) The bank provides cover services on behalf of other banks and also notifies and confirms credits.

c) The bank levels off accounts and funds suitable investment for any surplus funds collected by itself or similar financial institutions.

d) BAMIS provides over the counter services for the purchase and sale of foreign currency at the going rate.

**BANK AL BARAKA MAURITANIAN ISLAMIC**

S.A. an capital de 500.000.000 d'Ouguiyas  
B.P. 690 - Avenue du Roi Fayçal - Nouakchott  
Tél: 514.24 - 522.66 - Telex: 538 MTN

République Islamique de Mauritanie

الجمهورية الإسلامية الموريتانية



## SONIMEX

SOCIÉTÉ NATIONALE D'IMPORTATION & D'EXPORTATION

CAPITAL: 304 million Ouguiyas

Registered Office: Avenue Bourguiba, Nouakchott-R.C. 253

P.O. Box 290 Nouakchott (R.I.M.)

Telex: 561 MTN. Telephone: 514 72 (all departments)

## MAIN FEATURES

1) SONIMEX is a semi-public corporation; 62% controlled by the state of Mauritania, which enables it in conjunction with the Ministry of Public Trusteeship to negotiate advantageous international contracts e.g. rice with Thailand, tea with the People's Republic of China.

2) The purpose of the company is to provide the country with basic foodstuffs and staples (rice, tea, sugar) and, by having a monopoly on importation, to control more efficiently the purchase price and ensure a regular income from customs dues for the treasury.

3) A distribution network covering the whole country; representation in all the regional capitals (including 14 agencies) and collaboration with the Chamber of Commerce enables SONIMEX products to be made available in all places and at all times.

4) SONIMEX has a monopoly on the exportation of gum arabic; to this end and within the framework of the policy of regeneration of the gum industry adopted by the management SONIMEX is keen to support the action of the Ministry for Rural Development in the purchase of acacia trees and to encourage afforestation.

5) Controlling bodies: A Board of Administration, Governing Body and Board of Management that is experienced, conscientious and skilled in management techniques has turned SONIMEX into a model company in the national economy.



Mr. Moussa Fall, Director General, SONIMEX



## ADVERTISING SECTION

## ADVERTISING SECTION

## Economic Plan Takes Effect



Nouakchott's new Novotel, evidence of the country's forward-looking investment policies.

To stem Mauritania's current economic and financial woes, the government, under the auspices of the Ministry of Finance, is undertaking an ambitious and wide-ranging plan of action.

In 1985 a recovery plan was drawn up for formal recognition, an important step toward affirming Mauritania's credibility with the outside world. The resulting document, outlining a financial plan for the period 1985 to 1988, was submitted to an advisory panel of fund-granting agencies. Preliminary results were improvements in public finance and payments balances, as well as in the rationalization of investment policy. Mauritania did not set out systematically to program its needs, which are great in comparison with its limited natural resource endowment. Instead, it struck out upon a pragmatic line of action to ensure a better allocation of available resources and a wiser channeling of external aid.

Mauritania has a number of pressing problems, including

shortage of public finance, a deficit in payments balances, a GDP downswing in real terms and, consequently, a drop in the living standard of the overall population, due mainly to mismanagement. Hence the Recovery Program aims to correct mismanagement as well as to improve existing facilities: the first year of the Program will be devoted to a general rehabilitation of existing entities. With many projects, Mauritania is implementing a very ambitious, forward-looking investment policy, irrespective of the recurrent costs of certain projects. This has undoubtedly resulted in some recent hardship, but should be of benefit in the long run.

The second portion of the plan looks hard at the bottom line. Throughout the period of the Recovery Program, Mauritania intends to restrict new investments exclusively to ventures whose profitability is clearly demonstrated. The third portion, dealing with non-profitable follow-up projects, allows for such investment as

necessary to improve social or educational services.

These are the three considerations which underlie the formulation of the Program. They should enable the economy to grow at a rate of 3.7 percent in real terms, equal at least to the population growth rate. The plan should also regenerate public investment, thus enhancing profitability and, in due course, will reduce the public finance deficit and improve the balance of payments position.

Mauritania was put on the right track in 1985: the targets set for that year were secured and even exceeded. The country managed to erase a substantial part of the public finance deficit of 100 million ouguiyas and posted a current surplus of over 150 million ouguiyas.

On the subject of payments balances, the current deficit was substantially reduced and GDP growth rate was 4 percent, very significant indicators of economic progression that year.

The country recognizes that there will be no magic solu-

tions. Improvement must stem from the political will to secure change in the country's economic and financial situation. As it happens, Mauritania can count on assistance from the International Monetary Fund, the World Bank and the Arab Financing Agency, as well as multilateral sources such as the Arab Development Bank. Clearly, Mauritania is doing what is necessary, and is convinced that by unswerving allegiance to the course mapped out, it will by the end of 1988 be on the road to balanced growth, no longer failing to make a rational use of its available resources and expecting to lean indefinitely on foreign aid.

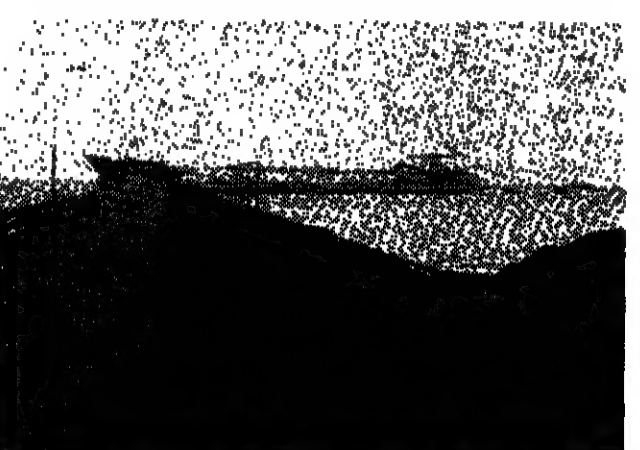
Mauritania's external debt has reached excessive proportions. To deal with the problem, the Club de Paris agreed to reschedule that debt, and a substantial easing has resulted. But it must not be forgotten that at the end of 1984, Mauritania piled up excessive arrears which were not rescheduled and had to be met. However, a settlement has been made — a rare event, considering the immense difficulties with which Mauritania has had to grapple.

In 1985 a meeting was held in Paris by the Advisory Panel on Mauritania. At that meeting fund-granting agencies or agencies agreed to finance Mauritania's Economic and Financial Recovery Program. The outlay totalled U.S.\$760 million in terms of technical assistance, help with projects and food aid. The government's aim is to improve the country's economic

position and generate progress, so that Mauritania may secure a growth rate in the years ahead. The Monetary Fund as well as the World Bank also have their goals, namely to help chart the course of international trade and rationalize the country's exchange policy. The Bank has the task of financing development. But the Fund and the Bank are not the only factors in the policy of recovery. Other sources of financial support and guidance are the various Arab Funds, multilateral Funds, multilateral banks, such as the Arab Development Bank, and the national financing organizations in the OECD countries.

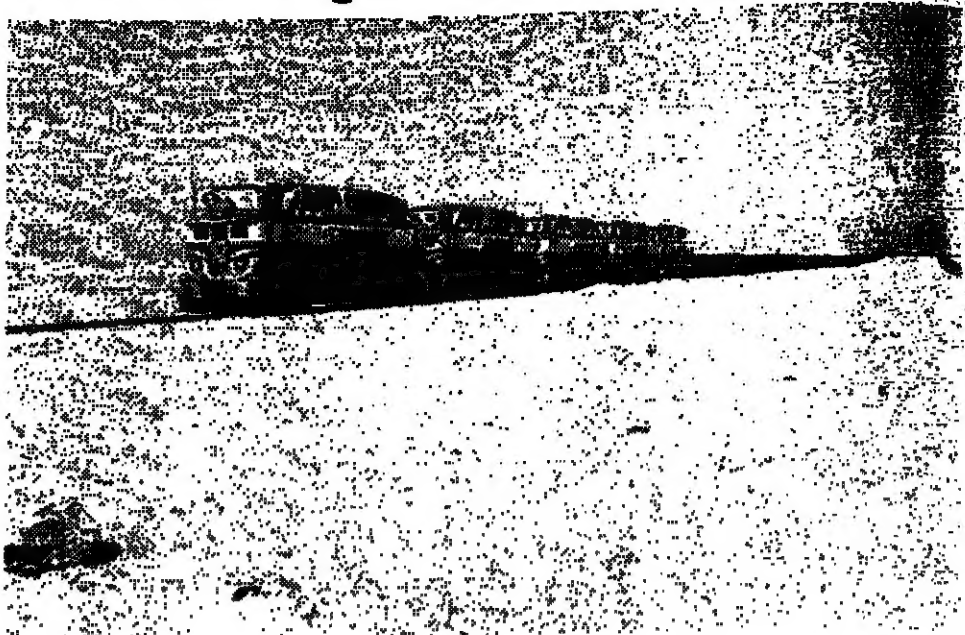
Mauritania is a founding member of the Community of West African States (CEAO) and is convinced that it is essential for countries which cannot be legitimately described as strong, to combine and at the same time exert themselves individually. CEAO, like many newly established organizations, has had problems, but its proponents point to the organization's achievements as well as its perceived inadequacies.

Trade continues to be a problem for Mauritania, as well as among all the CEAO states. There are no continuous land, air or even sea communications, countries are large, and frontiers very long. These objective problems are among the major current concerns of the CEAO states, which are striving to lay the foundations for smoothly running and self-propelling regional cooperation.



Port at Nouadhibou. Trade continues to be a priority.

## World's Largest Train a Big Success



The longest train in the world arrives in Nouadhibou, Mauritania, every day at 10:18 a.m., give or take an hour. It ends its 18-hour, 616-km journey south and west from Zouerate, near the iron mines of Kédia d'Idjil and the Guelbs, carrying 217 freight wagons loaded with iron ore. The train can be as long as 2.8 kilometers (1.7 miles) and can pull up to 22,000 metric tons. Another train of similar length arrives daily at 6:20 a.m.

Also along for the ride are two or three tank cars carrying water for the city of Nouadhibou and, once a day, a passenger carriage which could carry 80 people but never does. Most of the train's passengers hitch rides on the goods wagons or on the roof, wherever they can manage, sometimes with a few sheep along for good measure.

The train is owned and operated by the Société Nationale Industrielle et Minière (SNIM). Mauritania's huge iron-ore company based at Nouadhibou and Zouerate.

The railway traction division alone employs 1,100 people. Most receive various degrees of training on the spot; a few have gone to France for more extensive instruction by the French National Railway SNCF.

The company expects to end 1986 with exports of 9.6 million metric tons of iron ore. This figure is up two percent from 1985's 9.4 million metric tons, but falls 8.6 percent short of the 10.5 million targeted for 1986.

On the journey inland the train is empty, except for a few tank cars carrying fuel from the port up to Zouerate, so it weighs far less — an advantage, since the inland route to Zouerate, some 300 meters above sea level, is on an uphill grade. The engine workforce consists of 25 French-made Alsthom locomotives and four U.S.-built General Motors units, all diesel-electric: the diesel fuels a generator, and then the locomotive's engine converts electrical energy to mechanical for traction power.

SNIM is definitely in the market for five or six new locomotives in 1987, according to port and railway director Bouhouloul Moulaye Abasse. Financing to the tune of \$1.28 million, mostly from Arab sources, is complete. But any contenders would have to put together a pretty attractive offer in a hurry to beat the front-runner, General Motors. If GM does win the contract, a few SNIM staff will go to La Grange, Illinois, for training.

A 15,000-square-meter workshop handles the maintenance requirements of the rolling stock. Locomotives can be given anything from quick checks underneath to complete dismantling.

"Our worst enemy here is sand," a SNIM spokesman explains. It wears wheel surfaces irregularly; as a result, to prevent derailments, they have to be resmoothed much more often than their European counterparts. A railway bogey's useful life is only one-fourth of what it would be doing the same work minus the sand.

In 1985, SNIM imported 60 railway-wagon kits from South Korea and assembled them in the workshop at a rate of one per day. The company saved \$50,000 in freight costs alone, since the kits took up much less space onboard ship than fully built-up wagons would have required.

Admittedly, Nouadhibou is a bit far away for most of the world's railway buffs, so not very many make the trip to see the world's longest train themselves. SNIM does, however, get many letters from railway enthusiasts all over the world requesting tickets to add to their collections.

—L.V.B.



## MAURITANIAN SHIPPING AND FISHERIES PRODUCTS MARKETING COMPANY

## S.M.A.C.P.P.

Company capital: 16,000,000 Ouguiyas (1). Company belonging entirely to the Mauritanian private sector.

## INVESTMENT

180,000,000 Ouguiyas (2) fully invested in the form of the ownership and operation of 5 freezer-trawlers of total gross registered tonnage of 1,632 GRT.

## AIMS

- To help promote the national economy by playing a leading role in the gradual takeover of the fisheries sector by Mauritanian interests and to that end.
- To create a private saving sector in Mauritania which will permit the development and the consolidation of this process.
- To intervene directly in the marketing of fisheries products.
- To participate in the training of Mauritanian officers and sailors.

## PROGRAMME

- Purchase of 15 freezer-trawler over 5 years period.
- The construction at Nouadhibou (Mauritania) of cold storage plant with an annual capacity of 12 thousand M.T. with the possibility of later expanding the plant.

## STRUCTURES

- Qualified technical and administrative staff.
- Presence at all levels (production, conservation, marketing, etc.).
- Offices at Nouakchott and Nouadhibou (Mauritania) and Las Palmas (Spain).

## SERVICES

- Annual production of 6,000 M.T. of deep-sea fish, the quality of the processing and classification of which is already well known and highly appreciated by customers.
- Regular supplies to customers.
- Trade relations based on the Company's scrupulous respect of its commitment.
- Payments and profitability assured for all Mauritians and foreign financing.

## FOR INFORMATION CONCERNING S.M.A.C.P.P. CONTACT:

In Mauritania:

SOCIÉTÉ MAURITANIESE DES BANQUES (S.M.B.)

B.P. - NOUAKCHOTT

Phone: 52602 - 52707 - 52968

Telex: 567 MTN

Abroad:

BANCO DE BILBAO

Oficina Principal - Las Palmas de G.C. (SPAIN)

Phone: 265500

Telex: 95341 BBLP E

SATECO

Luis Morote, 6 - 7 - Las Palmas de G.C. (SPAIN)

Phone: 279313 - 279400 - 279507

Telex: 96692 MESU E

## ADDRESSES OF S.M.A.C.P.P.:

NOUAKCHOTT

B.P. 688

Phone: 51309 - 53139

Telex: 808 MTN

NOUADHIBOU

B.P. 72

Phone: 2186 - 2189

Telex: 543 MTN

LAS PALMAS (SPAIN)

Luis Morote, 6 - 3°

Phone: 272297

Telex: 96692 MESU E

(1) About \$320,000 US

(2) About \$3,500,000 US

## OFFICE DES POSTES ET TELECOMMUNICATIONS

(Office of Post and Telecommunications)



Director General: BA Abdou-Fatah

The Office of Post and Telecommunications, under the aegis of the State of Mauritania, is engaged in the modernisation and development of its range of activities:

## PROJECTS:

Type A earth station

International and national group centre

Type B earth station

Local and long-distance electronic telephone exchange for Nouadhibou

Local telephone network for Nouadhibou

Computerisation of certain posts and telecommunications services

Distribution centre for Nouakchott

Unit automatic exchange for Nouakchott

Telex switchboard for Nouakchott

Maritime coastal radio station

Project "Sud" (directional radio link for the towns of Boutilimit, Aleg, Boghé, Kaédi, Sélibaby)

Zouerate earth station

Extension of the Nouakchott local telephone network

Project "Nord" (directional radio link for the towns of Atar, Choum, Chinguett)

Extension of the project "Sud" to Tidjikja and Néma

Renovation of satellite stations

Total cost of projects: 1.7 billion Ouguiyas

## SAMMA

SOCIÉTÉ D'ACCONAGE ET DE MANUTENTION EN MAURITAINE  
(Mauritanian Lightering and Handling Company)

BP 258 - NOUADHIBOU  
Telex: 433 MTM. Tel: 45 263/45 384/45 983.

Capital 100,000,000 U.M.

## ACTIVITIES:

Consignment of goods  
Consignment of tankers  
Ship/Store handling  
Warehousing  
Sea & air transportation  
Customs

## EQUIPMENT &amp; FACILITIES:

Handling: 21 cranes (5T-11T-17 to 20 tonnes)  
Haulage: 20 trailers (14T-20T-24T to 32 tonnes)  
7 tractors  
1 lorry  
Lighterage: 2 flat-bottomed boats (250-300 t)  
1 lighter (250-300 t)  
1 tug (150 hp)

Approved by the Port Authorities for all shore handling operations in the Nouadhibou harbour zone.

Agents throughout the world.

Employed by the Department of External Trade and Public Works & Industrialisation of Mauritania.

## REPRESENTATION IN MAURITANIA:

Norwegian Consulate  
S.G.S.  
Lloyd's  
Salvage Association.

Islamic Republic of Mauritania  
THE FRIENDSHIP PORT OF NOUAKCHOTT

This port, with a capacity of 500,000 tons, will be made up of two parts:

- a) WORK AT SEA  
— an access bridge 730m long and 13.5m wide  
— a docking quay of 585m which can receive 3 ships simultaneously with a capacity of 10,000 to 15,000 tons.  
— a jetty.

- b) LAND INSTALLATIONS:  
— 2 buildings, one for the Port Administration and the other for the Police and Customs;  
— A garage  
— An infirmary and a rest room for workers  
— 50,000 m<sup>2</sup> of tarred raised areas for the storage of products in the open air  
— Lighthouse: this is the highest part of the Port.

Kanéou Mahmoud  
Director General of the Maritime Establishment and Friendship Port, Nouakchott

## CONCLUSIONS

The putting into service of the Friendship Port, planned for 1987, will allow Mauritania to not only unload all its imports, but also, and above all, will give the land-locked countries of the sub-region access to the sea.

## Maritime Establishment and Project for a Deep Water Port in NOUAKCHOTT

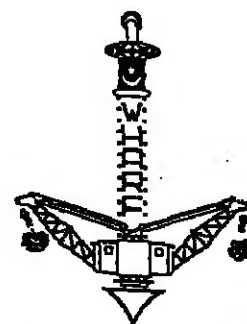
Created to meet the import and export requirements of our country and therefore reducing its economic dependence vis-à-vis foreign countries, the task of the wharf in Nouakchott was to unload 50,000 tons annually, with this figure capable of being increased to 100,000 tons by the strengthening of existing equipment.

In 1968 the first extension of the Wharf took place for an investment of 83,081,704 U.M. from the EDF; the second took place in 1975 for an amount of 84,401,137 U.M. from the CIO and the last was to become a reality in 1981 with the construction of the cement-manufacturing docking wharf. This construction cost the Cement Company of Mauritania a sum of 12 million Ouguiyas.

After this last extension, the annual unloading capacity of the Wharf is 450,000 tons.

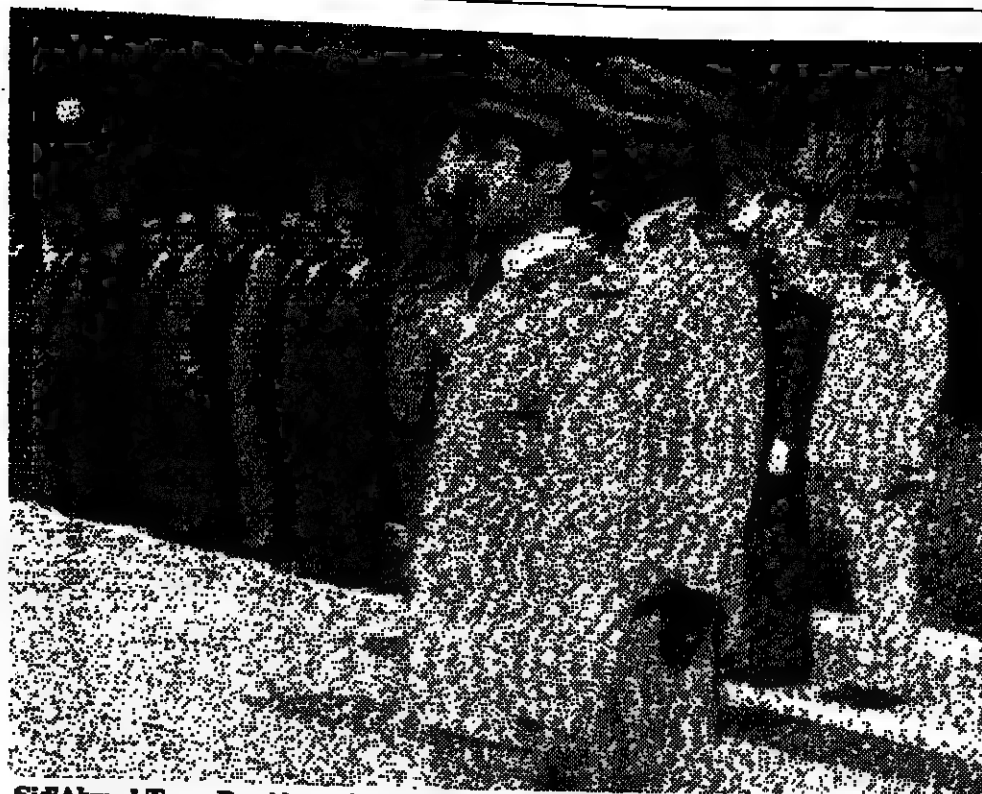
In 1982, 325,442 tons were unloaded, of which around 94,336 tons of cement is the largest figure ever achieved since the building of the Wharf.

E.D.F.: European Development Fund  
C.I.O.: Crédit Industriel de l'Ouest (Industrial Credit of the West) (France).



TEL: 514-53 516-15  
B.P. 267-NOUAKCHOTT  
TELEX 538 MTN





Sid Ahmed Taya, President of Mauritania.

## President (Continued From Page 7)

ties; from a strengthening of agricultural extension and support services; and from "an exceptional covering of materials to protect crops against locusts, cicadas and other various predators." Some 220,000 hectares were treated, the President indicated.

With so many economic challenges on the home front,

the President devoted almost his entire speech to economic matters. Nevertheless, he enunciated Mauritania's foreign policy clearly, if briefly. He expressed Mauritania's solidarity with the "struggle of the Namibian and Azanian peoples against the racist regime of Pretoria" and with the Palestine Liberation Organization (PLO), voiced his approval for

negotiation as a means of settling the war between "the brother countries of Iraq and Iran" and, above all, endorsed the creation of a Grand Maghreb. "It is time," the President stressed, "that sacrifices be made for the common struggles of all the peoples of the region, that is to say, those against hunger, disease and ignorance." — L.V.B.

## Investment Outlook: Strong Opportunities, Favorable Incentives

Mauritania has an open economy, and Industry and Mines Minister Mahfoud Ould Lemrort has issued a standing invitation to foreign investors to come to Mauritania to assess the opportunities available.

The local market is of modest size — the population is about 1.83 million — but much remains to be done in the area of import substitution, at a time when the will is there in the host country to make a go of local industries to add more value inside Mauritania. Priority would be given to ventures with a high degree of labor intensity, to create more jobs, and to those which stand to make the biggest contribution toward improving the trade balance.

Larger-scale investment op-

portunities lie in the exploitation of Mauritania's rich mineral resources, although the cost of these capital-intensive projects is also high.

Consortium de Recherches de Phosphate en Mauritanie, owned by SNIM (51 percent), France's Bureau de Recherches Géologiques et Minières (BRGM) (40.9 percent) and others, has located 100 million metric ton of proven phosphate reserves in the Bofal and Louboira regions of southern Mauritania. Studies indicate that a 20-year exploitation of the reserves at a rate of two million metric tons of concentrates per annum would require a capital investment of U.S.\$63 million to bring the mine itself into production, \$24.7 million to build a treatment plant, \$4 mil-

lion to add a concentrate-drying unit, \$12 million to construct an electric power supply and \$4.5 million to build other support structures (1984 prices). Projected cost of mining is \$5.27 per metric ton of concentrate produced, while the cost of treating it would be \$4.32 per metric ton.

The catch: transport infrastructure is needed to get the phosphate output to a port of embarkation. Studies have identified five different transport options, including road haulage over 370 kilometers by truck, a 300- or 330-km railway, a 300-km pipeline to the port of Nouakchott, and river transport by barge 400 kilometers down the Senegal from Bababe to the Senegalese seaport of Saint-Louis.



The fishing industry is slated for growth.

## Refinery Targets Success

The oil refinery at Nouadhibou is to reopen at the "end of January or the beginning of February," according to a refinery spokesman.

The one million metric ton per annum refinery, which reportedly cost the Mauritanian government U.S.\$148 million of its own resources to build, has a checkered past. It went into production in 1978 as part of the mining parastatal SNIM, but was soon shut down after President Moktar Ould Daddah was overthrown, in July 1978. Then in 1981, the Société Mauritanienne des Industries de Raffinage (SOMIR) was set

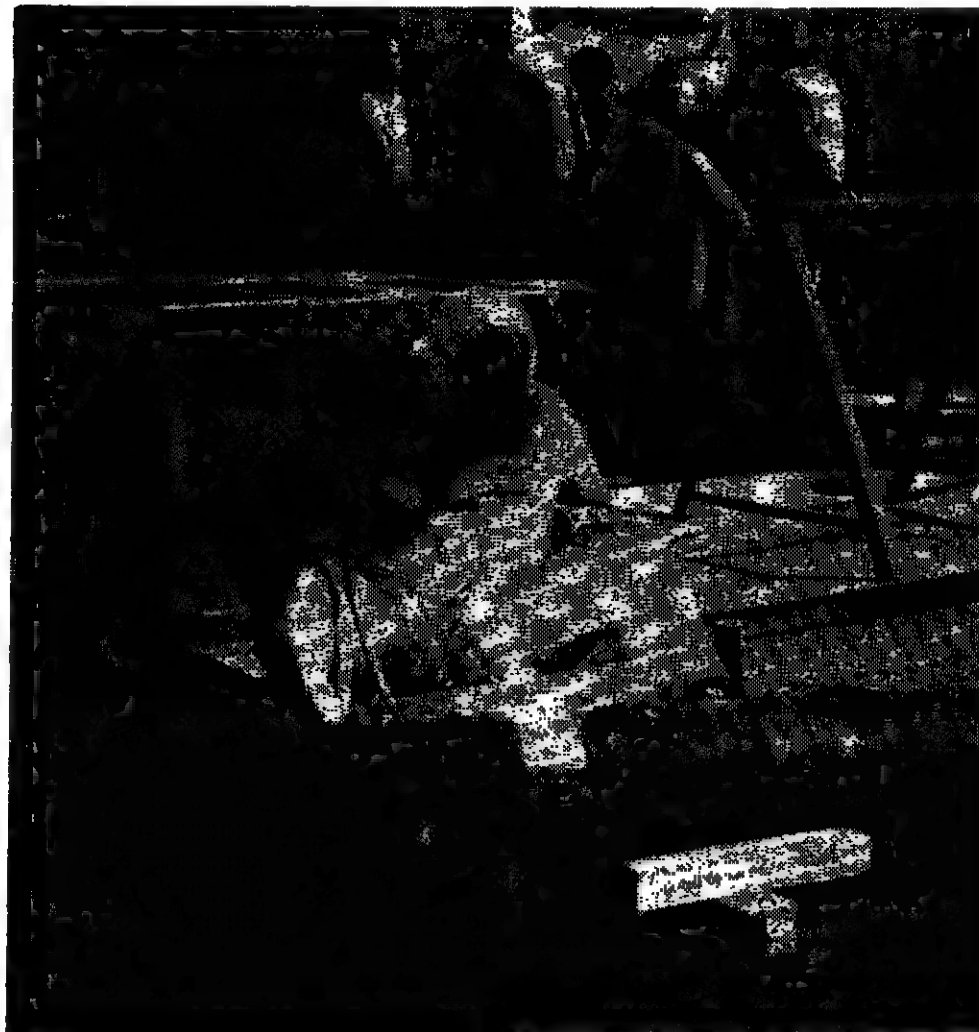
up, and the refinery reopened in 1982 with Algerian assistance. During this period it processed Algerian, Libyan and Nigerian crude, but it shut down again in 1983, owing to "unavailability of crude oil."

The refinery's troubles, explained an Algerian source, have "something to do with politics. Conditions changed on December 12, 1984." The current leadership made the decision early on to give the Algerians the green light to put the refinery back into production.

The Algerian company ENEP came in to undertake repairs at a reported cost of

\$123 million. Those repairs have now been completed, and the refinery is ready to reopen by early February with another Algerian company, NAFTA, as operator.

Although the physical plant remains Mauritania's, the operating company is entirely Algerian. Under the contract, it will pay no tax for a period of five years; instead, the Algerian operators say, the advantages to Mauritania are the creation of 250 jobs, the security of a local supply of refined petroleum products, and a favorable effect on the balance of payments. — L.V.B.



Transport is an important development sector.

The road option requires the least new initial capital investment (\$13 million in 1984 prices) but involves the highest variable cost (\$20 to \$25 per metric ton). The rail option requires the largest capital investment (\$160.2 million or \$239.1 million, depending on the route) but would leave the lowest variable cost (\$7.12 or \$5.04 per ton). The river-transport option, because it involves two countries, has the advantage of being eligible for regional development funding from international donors such as the European Development Fund.

The country also has exploitable reserves of sulphur near

Nouakchott and of copper in the south, in addition to those at Akjoujt already being mined.

Mauritania has an investment code dating from 1979 with two sets of regulations, one for investments of between UM10 million and UM200 million, the other for investments exceeding UM200 million. Exemptions from duty and taxes are more favorable to firms setting up outside Nouakchott and Nouadhibou, and land is ceded free for industrial plants installed outside the two cities. Policy on remittance of earnings and proceeds of disinvestments is also spelled out.

— L.V.B.



Registered Capital: \$4,000,000  
Registered Office:  
P.O. Box 301, Nouadhibou  
Tel: 45013 Telex: 408  
Agency:  
P.O. Box 643, Nouakchott



The freezer plant at Nouadhibou

**SIMAR**  
SOCIETE INDUSTRIELLE  
MAURITANO-ROUMAINE  
(Mauritanian-Rumanian  
Industrial Company)

For the development and exploitation  
of aquatic resources

SIMAR was formed in 1980 by the political wish of two friendly countries, Mauritania and Rumania.

SIMAR is involved in the following main activities: high-seas fishing, coastal fishing, operation of ice trawlers, treatment and freezing of all fish produce, storage of all produce, and sale and marketing of fishing produce.

At present SIMAR operates a fleet of 10 'Super Atlantic' type freezer ships for pelagic fishing. The catches of this fleet are sold in Africa, Europe and Asia, and are marketed directly by SIMAR.

SIMAR also owns a factory capable of processing 45 tonnes of fish per day and with a storage capacity of 1800 tonnes of fish per day. A programme for purchasing ice trawlers to supply this factory is in an advanced stage.



الشركة الجزائرية الموريتانية للصيد البحري  
**SOCIETE  
ALGERIO-MAURITANIE  
DES PECHES**

ALGERIAN-MAURITANIAN FISHING COMPANY



President Col. Maouya Ould Sid'Ahmed Taya and the President of Mali, M. Moussa Traore visit ALMAP with Director General Ibrahim Ould Boudiaha.

### BUSINESS:

Catching, treatment, marketing and sale of fish produce.

Director General: Ibrahim Ould Boudiaha  
Assistant D.G: Chaker Smaïne

The new refrigerating plant that was inaugurated in 1985 at the fishing wharf in the Port of Nouadhibou means that ALMAP is an enterprise equipped with the latest and most efficient technology.

### DETAILS OF THE PLANT:

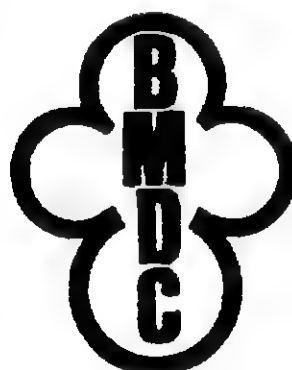
- 2 freezing tunnels (40 tonnes/24 hours)
  - One 400 tonne warehousing facility (-24°C), with moveable shelving
  - Ice-making unit (20 tonnes/24 hours)
- ALMAP has a large fleet:  
owned by ALMAP:  
- 6 ice trawlers (22 metres, 100 TJB)  
- 5 freezer trawlers (31 metres, 345 TJB)  
chartered by ALMAP:  
- 9 ice trawlers (23 metres, 114 TJB)  
- 7 ice trawlers (16 metres, 40 TJB)

### MARKETING & SALES

ALMAP exported 10,000 tonnes in 1985 and aims to export 16,000 tonnes of shellfish in 1986, principally to Algeria. Furthermore, the ALMAP production of cephalopods, estimated to exceed 1,500 tonnes, is sold on the Japanese market.

**ALMAP**

P.O. Box 321-NOUADHIBOU  
Telex: 424 Tel: 45 148-45 301



البنك الموريتاني للتنمية والتجارة  
**BANQUE MAURITANIE  
POUR LE  
DEVELOPPEMENT ET LE COMMERCE**

Mauritanian Bank for Trade and Development  
Capital: 300,000,000 Ouguiyas  
Registered Office: B.P. 219, Nouakchott  
Tel: 520-61/511-56 Telex: 564 BADEC MNT

The Mauritanian Bank for Trade and Development plays an active role in development. Originally, its policy was based on the promotion of small-scale and medium-sized enterprises. Its scope was later enlarged to include the fisheries sector with a view to incorporating that sector into the National Economy, through the establishment of a National Fishing Fleet. In addition, 14 small-scale and medium-size enterprise sector projects qualified for finance from the World Bank. Three of these projects concerned the agro-food sector, three the service sector, two the energy sector and six various other sectors. As far as the fisheries sector is concerned, the Mauritanian Bank for Trade and Development is determined to emerge as a pioneer in helping collect and develop fishing tackle, entering into undertakings for the purchase of nine vessels by serious-minded persons, solvent, morally responsible and with administrative ability.

### STAFF TRAINING

The Mauritanian Bank for Trade and Development sets great store by a commitment to train staff, which is part of its activity, and the provision of staff for this purpose as well as for follow-up activities, has led to the setting up of a "Training" service within the Bank. This service supervises and keeps an eye on the following activities:-

1. Attendance at seminars.
2. Studies and Training sessions.
3. Teaching at the Banking Profession's Training Centre.
4. Activities in connection with Specific Points of Training.

The main correspondents of the  
Mauritanian Bank for Trade and Development are:-

New York:	Citibank	Tokyo:	Mantrust
	Mantrust	Paris:	BNP - UTB - Mantrust
Milan:	Mantrust		CNCA - UBAF - AL Saudi Bank
Madrid:	Mantrust	Frankfurt:	D.G. Bank
	Banco de Bilbao	Dakar:	B.D.K. - Citibank
	Banque Arabe Espagnole	Abidjan:	BIDI.



Isselmou Ould Boye,  
Director General, BMDC



## ADVERTISING SECTION

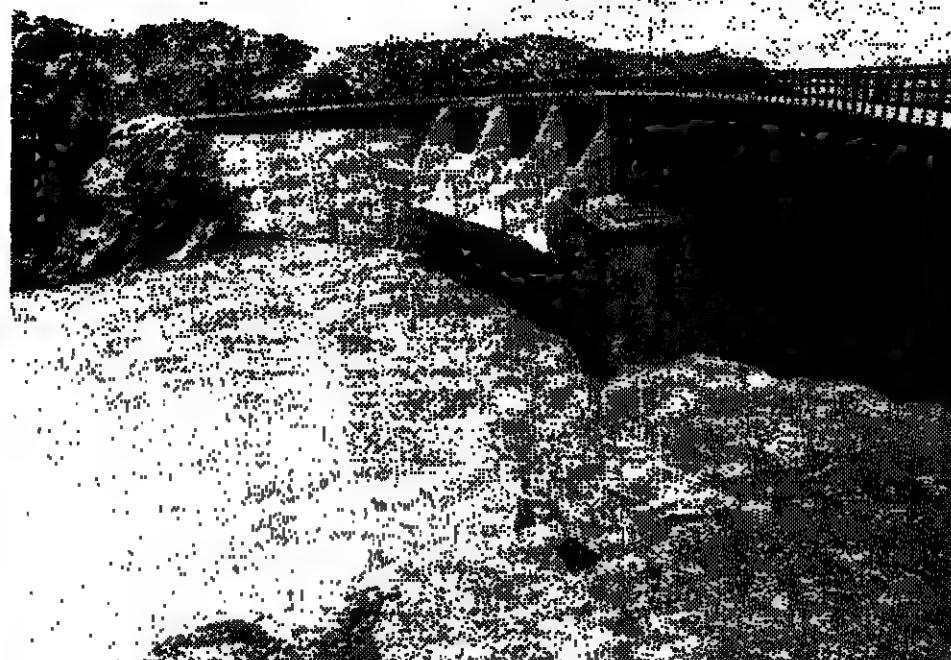
## ADVERTISING SECTION

# As Desert Creeps Inward, Drastic Measures Deemed Essential

Mauritania's agricultural sector is undergoing an extended, deep-seated crisis: in the 26 years since the country's independence, the desert has advanced some 400 kilometers, and is now moving at the rate of 61 km a year. Much has been written and discussed on the acute problem of 'desertification' which affects all the countries of the Sahel, and anyone who visits the area can bear witness to the alarming nature of the phenomenon — strange circles in the sand where once there were baobab trees, dried-up river beds, ruined and deserted villages, skulls of cattle lying in the sand.

Of all the countries of the Sahel, Mauritania is the one which is perhaps the most affected by the advancing Sahara, because it already is mostly desert. This is now down to between one and two percent. The country has had 15 years of more or less continuous drought, encompassing the great drought of 1973 which permanently reduced the size of the country's herds of cattle from 3 million to 1 million, and permanently altered the life-style of the previously nomadic population.

It is estimated that in 1963 there some 85 percent of the population led a nomadic existence. This figure is now com-



Irrigation dam at Fom-Gleita.

monly calculated at 25 percent, with 55 percent of all Mauritians now living in towns. Most-populated is Nouakchott, whose residents have increased in 25 years from next to none to half a million.

Even since 1980, it is calculated that the national cattle herd has dropped by 35 percent, and sheep and goats by 20 percent. Only the camel herd of

around 700,000 has remained stable, although in the early 60s it also was estimated at more than one million.

The advance of the desert has also been reflected in cereal production statistics. In the 1960s, Mauritania's fertile zone in the south was capable of producing 120,000 tons of cereals (even then, only half the national requirement), but by the mid-1980s production was down to around 20,000 tons. This has inevitably increased dependence on food imports, in many cases in the form of international aid.

This disastrous decline was the result of the cumulative effect of years of drought: in 1984 the Senegal River, on whose annual spare most of the national cereal production depended, had its poorest flood season for the whole of the 80 years since records have been kept. But it set alarm bells ringing that Mauritania was in danger of ceasing to exist as an agricultural producer.

More and more, the Mauritanian government has made rural development a priority. In the present 1985-88 Economic Reconstruction Programme, major resources are devoted to the rural sector. After the disaster years of 1983 and 1984, the 1984-85 harvest was improved because of better rainfall in the area adjoining the river, which was reflected in a production of cereals (millet, maize, rice and sorghum) estimated at 60,000

tons. Under the ERP, further funds are to be allocated to water engineering, in an effort to establish greater control over water resources to enable the country to better face crippling drought. More resources have been devoted to the National Rural Development Company (SONADER), and sundry schemes for improving output, such as the fixing of incentive prices, agricultural credit facilities, improved extension services, and the purchase of surplus production.

At the center of long-term plans lies the ambitious Senegal

River scheme. This involves the construction of two dams on the river, one near its mouth, at Diamas in Senegal, which is now completed and only awaiting inauguration, and the other at Manantali in Mali, which should be completed before the end of the decade. Mauritania is involved in the project with Senegal and Mali, and has joined with these two neighbors in raising the funds for the project. Several Arab donors have been among the major contributors, as well as France, the EEC and the African Development Bank.

One of the results of the construction of Diamas is to limit agriculturally hazardous saltwater tides upriver during the dry season. This phenomenon has been particularly bad in drought years such as 1983, when salination added to the havoc already caused by lack of rain in the valley. Diamas will also permit the authorities to begin to regulate the flow of the river, and open the door to reclaiming land for agriculture through irrigation. Although ecologists have raised alarm bells at possible environmental hazards, as well as the development of diseases, the possibility of ensuring the vital agricultural production from the lands alongside the Senegal River in Mauritania, even in drought years, has remained an imperative for the Mauritanian authorities. When the Manantali Dam (which, unlike Diamas, is a hydroelectric dam as well as irrigational) comes into operation, it is estimated that as much as 120,000 hectares of land on both sides of the river



These Mauritanians are trying to stabilize shifting dunes.

may be reclaimed for cultivation.

In the meantime, a smaller reservoir/dam at Fom-Gleita on the Gorgol River (an important tributary of the Senegal River that runs northward into the Wana hills of the Assaba plateau) was formally inaugurated at the end of 1985. At normal capacity, the reservoir contains 500 million cubic meters of water, and is being used to irrigate a region of 3,600 hectares, of which some 500 have been cultivated.

The project has been beset with difficulties, notably the opposition of a local traditional ruler, as well as the difficulty of persuading peasants to return to cultivation in an area that had been abandoned. There

were also financing problems, which involved a substantial scaling down of the project, which was originally intended to have a perimeter of up to 7,000 hectares. However, informed observers now believe that it is possible that the Fom-Gleita perimeter could produce cereals in the quantity of anything from 15,000 to 25,000 tons per annum, or at least 10 percent of the 1986 cereal deficit. The government plans to resettle some 50,000 people (7,000 to 8,000 families) in the area. The scheme also envisages a small freshwater fish production industry.

Apart from Fom-Gleita, a number of donors are now assisting the Mauritanian government in different areas. For example, the World Bank has recently agreed to finance two separate schemes. One of them is for \$8.2 million to partially finance 77 irrigated plots of 20 hectares with a view to producing 10,000 tons of grain. More recently the Bank joined with the African Development Fund and OPEC Fund in a scheme to boost the livestock sector, through the training of herders, the slowing down of the deterioration of pastureland and the increase of herd productivity. For this, 15 pastoral cooperatives are to be set up, and analysis of livestock production systems is to be carried out in the framework of a national livestock policy.

The public livestock services will be strengthened by the rehabilitation of infrastructure, training of staff and improved management of land and water. The whole scheme, including

the input of the government as well as the livestock owners is costed at more than \$18 million, but it is an example of the concentrated effort currently going on to rehabilitate different key elements in the rural sector.

In all the talk of the country's fertile southern tip it is sometimes forgotten that there are three important oases in Agant and Assaba-Hodh covering a total of 5,000 hectares. About 230,000 people, one-seventh of Mauritania's total population, lives there. They region produces a variety of crops, from corn and barley to sweet potatoes, but particularly notable are the 1.5 million date palms, which produce over 150,000 tons of dates annually.

But again and again, Mauritanian agriculture returns to the central theme of fighting 'desertification.' President Ould Taya, in a recent interview with the EEC-ACP Council in Brussels, managed to strike a note of defiant optimism, in the face of so much prevailing gloom on this subject: "We think the battle will be hard, but it has not been lost," he is quoted as saying. The stress is very much on cooperating with Mauritania's Sahelian neighbors in the context of CISS. All in all, it is calculated that some 21,000 hectares of trees need to be planted every year in order to reverse the desertification trend, which is currently threatening the breadbasket along the river. And the resources needed for such a program would be tremendous.

—P.H. Bistouri

## SOCIETE ARABE MAURITANO IRAKIENNE DE PECHE ARAB-MAURITANIAN-IRAQI FISHING COMPANY (S.A.M.I.P.)

P.O. Box 289 Nouadhibou  
Télex: SAMIP 431 MTN

Company with a capital of \$20,000,000  
51% Mauritanian shareholding  
49% Iraqi shareholding

The company is 100% state-owned, and was set up in 1979 under the terms of an agreement signed by representatives of both countries.

The company is involved in fishing and related activities in Mauritania: production, treatment and sale and marketing of fishing produce.

The company's investment programme essentially covers the following sectors:

- Shore-based infrastructure (factory and ancillary installations)
- Acquisition of appropriate equipment, plant, etc.: trawlers, freezers, refrigerators and ice-making facilities.

This programme extends over 10 years and has already been initiated.

## Message from the President of the Military Committee for National Safety, Head of State, Colonel Maouya Ould Sid'Ahmed Taya

On 12th December our country celebrated the second anniversary of the 12th December 1984, the date when the Military Committee for National Safety decided to restore peace and order to the country in order to save it from the decline and chaos that was threatening its very existence.



President Colonel Maouya Ould Sid'Ahmed Taya

This was why the participation of all citizens without exception in the task of economic and social recovery will decide the happy outcome of the efforts made by the public authorities. The results hitherto give grounds for optimism: relationships of trust are being established with fraternal countries and close friends, the credibility and respect of state commitments and agreements is being established, the quietude of the citizens and the respect of liberties are recognised, and a programme of economic and financial restoration is being implemented.

This programme, whose validity and seriousness are incontestable, is being encouraged outside the country, and requested and supported inside the country. The programme aims to channel all the forces of the country and put them effectively in the service of the economic and social development of the state.

It is within this context that the Military Committee adopted during its extraordinary meeting held from 4th to 6th August 1986 the draft project setting up the communes. In this connection, it is a matter for the National Directorate to emphasise once more its desire to implement the process of democratisation in the life of the nation.

As regards our external policies, the first task of the Military Committee was to restore our relations with all our fraternal countries and friends. In particular, relationships of fruitful cooperation will

from now onwards link us to all our partners in the Arab Maghreb.

Being a key country between the north and south of the African continent, Mauritania is conscious furthermore of the nature of its relations with the Arab and African world and of the role it has to play in bringing together these two complementary worlds. Being a meeting ground and cross-roads of fruitful exchanges, Mauritania has in fact from a very early time played a predominant role in the spread of Islam and Arab culture throughout Africa. The fame of its philosophers and learned people is well known as far as the Middle East.

Our country should put its traditional vocation at the services of strengthening friendship, understanding and solidarity between peoples. Within the context of inter-African cooperation, our task is to suppress particularisms in favour of community interests by strengthening, for the purposes of unity and solidarity, regional and sub-regional development areas and units by the better integration of our complementary economies.

Within this framework our country will soon be hosting the CEAO summit meeting, of which I am the president in office. I should like to take this opportunity to reaffirm that my country is prepared to spare no effort for the success of our regional organisations so that they can stand as an example of cooperation and integration for the greatest good of our respective peoples. In this way we shall have understood the direction and scope of our destiny, that we must together face the demands of a troubled and tumultuous period in our history with courage and determination.

It is also our constant wish and our readiness to work without relaxing within the framework of the Arab League, the OAU, the Organisation of the Islamic Conference, the Movement of Non-Aligned States, the UN, as well as in all those other institutions of which we are members, for the purposes of controlling and settling international conflicts by peaceful means.

Our position in this regard is absolutely clear. We shall continue to support and maintain all causes of justice, freedom and independence throughout the world.

I should like to take this opportunity to pay homage to the valiant Palestinian people as well as to the peoples of Namibia who are still fighting to recover their freedom and independence.

I wish to reiterate to them and to the other peoples that the Islamic Republic of Mauritania is prepared to devote all its efforts on behalf of its fraternal countries and friends in order to advance just causes in the world.

## Strong Roots (Continued From Page 8)

French, shortly after 1900, the population was gradually obliged to give up slave trading and warfare, although armed clashes between French soldiers and nomad warriors continued through the 1930s. Sedentary black African peoples began about the same time to trickle back into southern Mauritania, the area from which they had been expelled in earlier years by aggressive Maur nomads.

A major modification of the social structure in the 20th century has been caused by this influx of non-Arabic speaking black peoples from the south. Many of them have settled north of the Senegal River, and only since then have entered the government and society of the new Mauritania at every level. A reaction to this has been recent Maur pressure towards Arabization of all aspects of Mauritanian life — including law, language and dress. The resulting split between those who see Mauritania as an Arab country (mainly Maucis) and those whose seek a more diverse, pluralistic society (mainly black African groups), is one of the most pressing social and political challenges facing the country today.

Mauritania's political orientation and affinities lie with their Arab neighbors to the north. Hence, they belong to the Arab League and the Organization of Islamic Conference and can be expected to vote with the Arab bloc in international forums. As a reflection of their black African ties, they also belong to the Organization of African Unity.

Mauritania became self-governing as the Islamic Republic of Mauritania in November 1958, and shortly thereafter began the process of transferring its administrative services from Saint-Louis, in Senegal, to the new capital at Nouakchott. Mauritania became independent on November 28, 1960. The constitution, adopted in 1961, replaced the former parliamentary type of government with a presidential system. Moktar Ould Daddah, elected the first president in 1961, was re-elected in 1966, 1971, and again at the age of 51 in 1976.

On July 10, 1978 Ould Daddah was overthrown in a bloodless coup d'état. Power was then assumed by the military committee for national recovery (CMSN). For the next two and a half years power shifted among various members of the Military Committee of National Salvation (SMSN) as the CMSN came to be called. The CMSN remains committed to the establishment of democratic reforms and early in 1982 developed a plan to move gradually to increasing civilian participation in national decision-making.

In another bloodless coup, on Dec. 12, 1984, the CMSN was reorganized with President Laya at the helm. His regime is committed to improving racial relations and promoting democratic elections as promised in the wake of the coup. In keeping with this, Mauritians are experiencing their first-ever free elections in 13 municipalities for city councils and mayors. Up to four slates with 36



The culture of rice is relatively new to Mauritania.

candidates each are allowed to participate. To ensure equal representation by different ethnic groups and to avoid partisan politics based on ethnicity, slates must be balanced according to the respective proportions of each group in that municipality. Although political parties are still forbidden, each slate functions similarly to

a party with its own program for promoting development and improving social services to the community. The election campaign formally opened Nov. 28.

Elections could be extended to the smaller municipalities throughout the country. There is even street-talk that legisla-

tive elections are in the not-so-distant future. Although the government of Mauritania is moving slowly and cautiously towards representative government, it is surely a welcome move in the right direction, and as such, is an exciting event for observers from the older democracies of the West.

—D.S.



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# Herald Tribune

## BUSINESS/FINANCE

WEDNESDAY, DECEMBER 31, 1986-THURSDAY, JANUARY 1, 1987 \*\*

Done Average Slips 3.51 to 1908.61, Page 6.

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### INTERNATIONAL MANAGER

## Many U.S. Firms Fail to Post The Right Man Overseas

By ELIZABETH FOWLER  
New York Times Service

**N**EW YORK — Some U.S. companies are not capitalizing on opportunities to sell more goods and services abroad, according to Egon Zehnder, a large worldwide management recruiting firm. It commissioned a telephone survey of 100 top managers of major companies and 67 percent agreed that there had been a failure of top management to "seize opportunities available." Further, 66 percent agreed that U.S. managers were "woefully ignorant about foreign markets."

Perhaps the situation has even worsened with the announcement this winter that the Sears World Trade unit had been virtually disbanded, with 300 people losing their jobs. Four years ago, when it was established, the trading company boasted that it would soon compete with such giant world trade organizations as Mitsui and Matsui, both Japanese companies.

**Companies cannot rely just on foreign nationals as their managers abroad.**

"Sears might have succeeded if they had stuck with it longer," said Charles W. Sweet, a partner at A.T. Kearney, a management consulting and recruiting firm.

He agreed with the findings of the Egon Zehnder survey that many chief executives — especially those at middle-sized and small concerns — were not aware of recruiting problems they would encounter in finding globally oriented managers and were not doing enough to train such managers now.

The Egon Zehnder survey, limited to companies that had at least one foreign subsidiary, also found that 96 percent of the respondents agreed that over the next five years "their companies' ability to compete against foreign firms is essential to long-term success."

**Y**ET THE SURVEY showed that few companies had managers abroad who could fluently speak the languages of the countries in which they were stationed. Fifteen percent of the companies answered that they had no such managers, and a third said that 40 percent or less of their overseas managers could speak the language.

"We wonder how a manager can assess business opportunities in a foreign country if he does not speak the language and has little knowledge of the culture," said Kai Lindholm, managing partner of Egon Zehnder. "Management by walking around, visiting foreign operations and keeping in touch by telephone is not enough."

Companies cannot rely only on foreign nationals as their managers abroad, he said, adding that corporations need top managers who can deal skillfully with the foreign aspects of the business.

Mr. Lindholm thinks that companies will have a hard time finding good managers for world trade operations because so few are being trained now by assignments abroad. Yet, he pointed out, 62 percent of the respondents indicated that in their future hiring, a command of foreign languages would be prized.

"Such managers will not be available," he said. "The few that are qualified will be working for companies with well-established international units" — including, for example, International Business Machines Corp.

When companies have good managers for foreign assignments, they sometimes fail to cultivate them. Often when these managers come home they are disillusioned because there is no place to put them, and they are used to the pace of life in a foreign setting, said Mr. Sweet of A.T. Kearney.

"I talked to a 35-year-old guy recently who had been president of a foreign subsidiary in the Far East," Mr. Sweet said. "He was brought home from the Far East, where he managed 5,000

See MANAGER, Page 17

## MD-11 Jet Is Given Go-Ahead

52 Orders Cited By McDonnell

Compiled by Our Staff From Dispatches

**LOS ANGELES** — McDonnell Douglas Corp. directors have launched the long-stalled program to build the MD-11 wide-body, three-engine jetliner, a larger version of the veteran DC-10.

"We have been authorized to proceed," a McDonnell Douglas spokesman said after a special board meeting Monday at the company's headquarters in St. Louis during which 52 firm orders were announced. "They start work immediately."

At a news conference on Tuesday, James Worham, president of the company's Douglas Aircraft Division, said McDonnell Douglas expected to sell 350 MD-11 jets by the year 2000.

Mr. Worham said that in addition to 12 customers who have already placed the 52 orders and taken 40 options for the aircraft, McDonnell Douglas was negotiating with 17 more customers. These include United Airlines' parent, UAL Inc., and American Airlines' parent, AMR Inc.

He placed the value of the orders and options at \$9 billion.

Wall Street analysts said McDonnell Douglas' cash outlays for the program would weaken earnings growth for at least the next three years.

A company spokesman said McDonnell Douglas would spend up to \$1.4 billion by the time the first MD-11 rolls off the assembly line in early 1990. This includes \$300 million for development costs and the rest for tooling, inventory and labor.

The new plane, like its forerunner, will be produced in Long Beach, California, in a program that will mean thousands of new jobs in Southern California during the next few years.

In Greenwich, Connecticut, Rolls-Royce Inc., the U.S. unit of Rolls-Royce Ltd., said it was negotiating to sell engines for the MD-11. The company said it planned to complete an agreement in early

See MD-11, Page 15

## Shipping: 'A Piece of Ice in the Sun'

As Freight Rates Slip, Some Boats Go for Scrap

By Nicholas D. Kristof

New York Times Service

**HONG KONG** — This shipping center mourned last month as T.Y. Chao sold his collection of jade, lovingly assembled over a lifetime, to help pay his shipping company's \$850 million in debts.

Mr. Chao, whose Wah Kwong Shipping & Investment Co. is undergoing a painful restructuring with creditor banks, raised less than \$10 million from the sale of his jade.

It was a reminder that an industry that created so many fortunes in the past is now crashing them at a dizzying pace.

From the port of Los Angeles to the docks of Liverpool to shipyards in South Korea and Japan, the shipping world has been turned upside down by five catastrophic years of tumbling freight rates, rising costs and declining values of used ships.

While the problems are rooted in a cyclical excess of capacity, many executives say that the current downturn is so deep and traumatic that the industry is changing permanently.

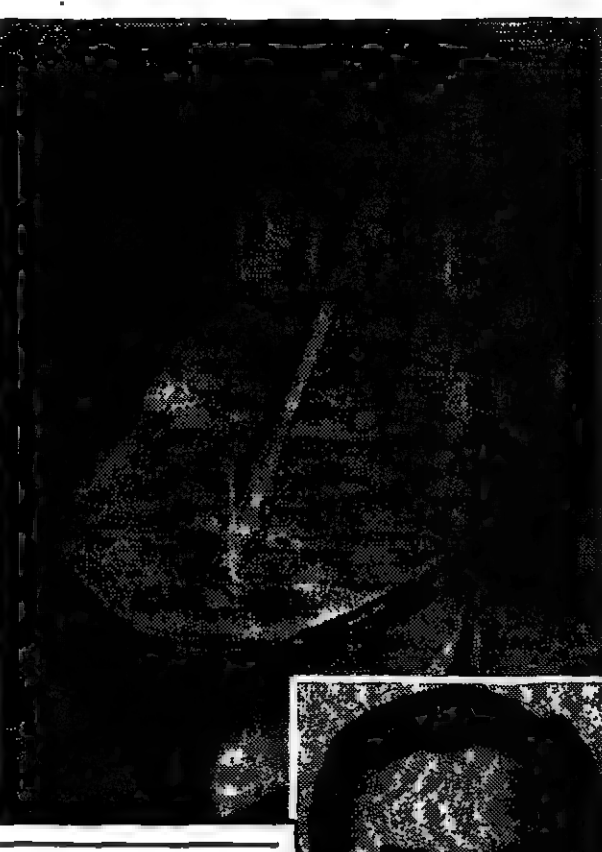
"Shipping is like a piece of ice under a hot sun," said Frank W.K. Tsao, chairman of International Maritime Carriers, one of Hong Kong's biggest shipping companies.

There used to be hundreds of ship-owning companies in Hong Kong. Now, out of every 10, eight are bankrupt. And the survivors are badly wounded.

Just last month, McLellan Industries, an American company whose U.S. line unit is one of the world's largest container shippers, sought protection from its creditors under Chapter 11 of the U.S. bankruptcy code as it worked out how to pay its debts.

Japan Line Ltd., one of the biggest tanker operators in the world, asked its bankers for help this month in reorganizing the company.

Ships that were built for \$50 million a half-dozen years ago sometimes are sold as scrap for \$5 million. Shipowners who once earned \$20,000 a day on a charter now are happy to accept



Since this ship was rebuilt as the world's largest tanker in 1980 for the Tung shipping group, a slump has forced the company to restructure its debt. Inset, Sir Yue-Kong Pao, the Hong Kong shipping magnate, who is buying vessels at rock-bottom prices.

\$5,000 a day. And just Monday, the Organization for Economic Cooperation and Development reported that new orders for ships fell 33 percent in the first nine months of 1986 compared with the 1985 period.

In October 1973, the freight charges of a crude-oil cargo on the way to scrap yards when they were called back in mid-ocean because of rising tanker freight rates and ship prices. Rates and prices subsequently dropped again, although not enough to kill the optimism among tanker operators.

But many executives and analysts note that shippers have often clutched for signs of an upturn.

These experts say that demand eventually will catch up with the See SHIPPING, Page 17

## Commodities Push Indicators Up 1.2% in U.S.

The Associated Press

**WASHINGTON** — The U.S. government said Tuesday that its main barometer of future economic activity shot up 1.2 percent in November from October, the largest increase in seven months, largely on price changes for lumber, iron and steel scrap and other sensitive commodities.

The Commerce Department said the gain last month in its Index of Leading Indicators was more than double the revised 0.5-percent increase in October and the biggest since a 1.2-percent rise in April. The October gain was originally reported at 0.6 percent.

Analysts, however, cautioned against reading too much into the November gain, contending it was more a reflection of short-term economic activity than an indication of future strength.

Economists believe that while the economy is performing well at present, it will slow down substantially early next year as the new tax law has an adverse initial impact.

The biggest contributor to the November improvement came from a rise in prices for raw materials, particularly lumber, iron and steel, aluminum and cattle hides.

Rising commodity prices are thought to forecast higher demand and, thus, faster growth.

But analysts noted that rising prices also signal a pickup in inflation, which would be a drag on economic growth.

It was the second consecutive month that the index's strength came from a big jump in commodity prices. Without the price rise, the index would have been up only 0.7 percent in November.

In all, eight of the index's 11 barometers gained last month: stock market prices, average work week orders for business equipment, building permits, and money supply. Also providing strength were a change in delivery times on business orders and a drop in initial unemployment claims.

Three barometers held back growth in the index: a drop in business and consumer credit, manufacturers' orders for consumer

## New-Home Sales In U.S. Declined 2.2% in Month

The Associated Press

**WASHINGTON** — U.S. sales of new homes fell 2.2 percent in November, marking the seventh decline in the last eight months, the government reported Tuesday.

The Commerce Department said new single-family homes were sold at a seasonally adjusted annual rate of 661,000 units in November following a revised 7.8-percent decline in October.

Since they reached 924,000 units in March, sales have declined in every month except September. Even with the continued decline, total sales for the first 11 months of the year are running 9.2 percent ahead of the comparable 1985 period.

The sales of new homes are in contrast with sales of existing homes, which hit an annual sales rate of 3.92 million units in November, the highest level in seven years.

goods and net business formation. The department said Tuesday that beginning with the February index, it would drop net business formation from the index. "This series has deteriorated as a measure of change" in the number of American businesses, it said.

The 1.2-percent rise was slightly higher than most private analysts had expected. But economists cautioned that much of the growth reflected a last-minute buying spree by businesses and consumers who are rushing to take advantage of expiring tax breaks before the new tax law takes effect on Jan. 1.

Many analysts believe that the economy, as measured by the gross national product, the total value of goods and services, is growing at close to a 3-percent rate in the current October-November quarter.

## Currency Rates

Cross Rates	Dec. 30	Jan. 1
Australian dollar	1.545	1.545
British pound	1.645	1.645
Canadian dollar	1.315	1.315
Deutsche mark	1.815	1.815
French franc	6.545	6.545
Italian lira	2.365	2.365
Japanese yen	163.5	163.5
Netherlands guilder	3.605	3.605
Swiss franc	1.485	1.485
West German mark	1.815	1.815
Yen	163.5	163.5

Source: Reuters. All rates are for 100 U.S. dollars unless otherwise noted.

Other Dollar Values

Currency	Dec. 30	Jan. 1
Australian dollar	1.545	1.545
British pound	1.645	1.645
Canadian dollar	1.315	1.315
Deutsche mark	1.815	1.815
French franc	6.545	6.545
Italian lira	2.365	2.365
Japanese yen	163.5	163.5
Netherlands guilder	3.605	3.605
Swiss franc	1.485	1.485
West German mark	1.815	1.815
Yen	163.5	163.5

Source: Reuters. All rates are for 100 U.S. dollars unless otherwise noted.

Other Dollar Values

Currency	Dec. 30	Jan. 1
Australian dollar	1.545	1.545
British pound	1.645	1.645
Canadian dollar	1.315	1.315
Deutsche mark	1.815	1.815
French franc	6.545	6.545
Italian lira	2.365	2.365
Japanese yen	163.5	163.5
Netherlands guilder	3.605	3.605
Swiss franc	1.485	1.485
West German mark	1.815	1.815
Yen	163.5	163.5

Source: Reuters. All rates are for 100 U.S. dollars unless otherwise noted.

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Other Dollar Values

## Soviet Biggest Borrower in First Half, BIS Says

Compiled by Our Staff From Dispatches

**BASEL** — The Soviet Union led the list of borrowers from international banks during the first half of 1986, according to a survey published Tuesday by the Bank of International Settlements.

The Soviet Union secured \$2.3 billion in new funds from the reporting banks in 17 Western countries, most of it in long-term loans, according to the institution, which acts as a bank for central banks.

Among East European borrowers, East Germany and Hungary followed with \$400 million each in new funds.

Claims on Poland, the biggest East European debtor, declined by \$500 million. The bank said that

the decrease was largely "a result of write-downs and transfers of claims to export credit insurance institutions."

Members of the Organization of Petroleum Exporting Countries "strongly reduced their deposits with the reporting banks" during the first half of 1986, the bank said.

Claims on OPEC countries declined by a net \$1.7 billion. Decreases in the loan burden of Saudi Arabia, the United Arab Emirates, Kuwait, Nigeria and Venezuela set the trend.

Iraq was the principal OPEC borrower of new funds at \$900 million, followed by Algeria at \$800 million and Indonesia at \$300 mil-

lion. In addition, Iraq and Indonesia obtained "substantial new credit facilities," the survey said.

China, which borrowed \$3 billion in the last half of 1985, reduced its banking debts by \$1.7 billion, with repayments affecting only short-term credits.

The report confirmed earlier evidence of a decline in new lending by major banks to heavily indebted countries.

The Philippines, at \$500 million, and India, at \$400 million, were the only sizeable borrowers of new funds in Asia.

Argentina was the principal borrower of new funds among Latin American countries during the first

half of 1986, obtaining \$800 million while reducing its unused credit facilities by \$500 million to \$1.5 billion.

Claims decreased on Mexico by \$800 million, on Brazil by \$700 million and on Colombia by \$400 million, the BIS said.

But undischarged credit commitments expended by \$800 million to Mexico, \$900 million to Brazil and \$400 million to Colombia, according to the survey.

If the distortion caused by a weaker dollar were eliminated and other technical adjustments were made, net lending actually fell \$1.7 billion in the first half of 1986, the report said.

(AP, Reuters)

## Saudi Budget Will Protect Subsidies

Fahd's Speech Indicates Capital Spending Will Be Cut

Reuters

**MANAMA, Bahrain** — Saudi Arabia is ready to unveil a tight budget, but it is clear that cuts will be aimed at capital spending and will not affect food subsidies or sensitive areas of social welfare, economists said Tuesday.

King Fahd, in a speech Monday ahead of detailed publication of 1987's fiscal planning, spoke of a "reduction" in the budget, but stressed that it would be acceptable to the nation.

One economist said, "It is clear that Saudi Arabia is trying to cut, but without hurting the people."

The Saudi cabinet ratified the budget Monday, but did not make it public, ending nine months of uncertainty during which plans were twice postponed because of falling oil prices.

The fiscal year has now been redefined to coincide with the Gregorian calendar. The last fully budgeted fiscal year, on the Islamic calendar, ended on March 10, 1986. During the hiatus, government spending was calculated on a month-by-month basis.

Only the publication of complete figures, which is expected Wednesday, will show the extent to which Saudi Arabia is prepared to cut spending and minimize the drain on reserves caused by three consecutive years of budget deficits caused by falling oil revenue. In the last year, oil prices declined 50 percent to average under \$15 a barrel.

But economists said the tone of King Fahd's statement clearly indicated that further cuts would probably fall on capital expenditure. He said capital spending in the coming year would probably total 50 billion riyals (\$13.3 billion).

Spending in this sector has been declining as major infrastructure projects in the kingdom have been completed. But in the 1985-86 bud-

get year, capital appropriations totaled 111.7 billion riyals.

Economists said that in practice the 1985-86 allocation was probably underspent.

Some economists said they were disappointed that the kingdom did not seem to be tackling subsidies, a major expenditure that many economists believe must be cut if the budget is to be balanced.

King Fahd said subsidies on food, animal fodder, medicines and petroleum products would remain unchanged.

"I can say that your government tried its best in these difficult circumstances to keep the welfare of the citizens in mind while not burdening them with loans either external or internal," he said in his statement to the nation on Monday.

Economists said subsidies were a highly sensitive issue that the government might be able to skirt thanks to the new accord by the Organization of Petroleum Exporting Countries.

OPEC's agreement to reduce production and return to fixed prices around \$18 a barrel is seen by economists as crucial to Saudi Arabia's budget planning.

If the accord holds, the kingdom's budget planners can expect oil income of about 80 billion riyals in 1987.

Economists calculate that including nonoil revenue, total in-

come for 1987 could now total 115 billion to 120 billion riyals.

Balancing the budget, however, would require a further cut in recurring expenditures, a measure that could also touch on the sensitive subject of government staff salaries.

Some economists believe that Saudi Arabia could now set total 1987 spending at about 140 billion riyals, by calculating to cover a deficit of 20 billion to 25 billion riyals through drawing down of reserves or by not spending all budget funds appropriated.

One economist said the capital spending budget could well be trimmed further in mid-year, but added that education and health projects would be less likely to be cut.

Austerity, Saudi-style, followed a decade-long spending and building boom fueled by high oil prices. With a plunge in international oil demand earlier this decade, Saudi Arabia agreed to take the brunt of export cuts to tighten markets for OPEC.

As a result, Saudi production, which once ran as high as 10 million barrels a day, fell to a third that.

## Morgan Grenfell Quits as Adviser To Guinness

The Associated Press

**LONDON** — Morgan Grenfell Group PLC said Tuesday that it was quitting as financial adviser to Guinness PLC, the big distiller group that is under investigation for possible securities violations.

The merchant bank also said that Roger Seelig, the chief adviser to Guinness during its \$2.7 billion (\$3.9 million) bid for Distillers Co. earlier this year, had resigned as a director of Morgan Grenfell & Co. and other group subsidiaries.

The merchant bank Henry Ansbacher & Co. has alleged that Mr. Seelig gave it an informal order to buy back any Guinness shares that Ansbacher's clients purchased during the bitter fight for Distillers.

If Guinness ordered the purchase of its stock through Morgan Grenfell, it may have broken British law.







BUSINESS ROUNDUP

# ITT and CGE Launch Their Venture

By Axel Krause  
*International Herald Tribune*

PARIS — Cie. Générale d'Électricité of France and ITT Corp. of the United States signed agreements in Brussels Tuesday establishing the world's second-largest telecommunications group.

Despite last-ditch efforts to join the venture, however, Spain's Cie. Telefonica Nacional de España SA was not part of Tuesday's agreement. A spokesman for the state-owned utility told Reuters in Madrid: "We have advised CGE we maintain our terms for a possible participation."

Major snags arose over Telefonica's industrial and financial involvement, which CGE negotiators said Tuesday probably could not be resolved.

"They wanted too much," a CGE executive said, commenting on Telefonica's insistence on a managerial role in the venture in which it was ready to invest about \$300 million for a 10-percent share.

CGE, which will manage the venture with a controlling 55.5-percent share, will pay \$1.25 billion in cash for ITT's West European telecommunications business, while \$800 million in debt on ITT's books will be transferred to the new venture.

Initially, ITT was to receive \$1.5 billion, but the amount was reduced because its 24-percent interest in Standard Telephone & Cables PLC of Britain will be excluded from the venture.

ITT, as previously announced, will obtain a 37-percent share in the company, whose consolidated annual sales will total \$12.5 billion.

ITT said the joint venture consists of its worldwide telecommunications and business systems operations, its European-based consumer electronics interests, CGE's Alcatel telecommunications business and 65 percent of the stock of CGE's subsidiary, Cables de León.

ITT said that while it remains a multinational company with \$17.5 billion in sales and revenues, services — especially insurance and finance — will now become a relatively larger part of the company.

In a joint announcement, CGE and ITT said that France's state-owned Crédit Lyonnais bank would take a 1.7-percent share in the new company, called Teleglobe Communications NV, and invest about \$75 million. The other participants, as expected, will include Société Générale de Belgique, Belgium's largest financial holding company, which will ob-

## Gulf Air Reports 1986 Loss; Sees Red Ink Till '88

MANAMA, Bahrain — Gulf Air, one of the largest Middle Eastern carriers, said Tuesday it had a loss for 1986 and that it did not expect to return to profit until 1988 despite plans to cut 550 jobs.

The airline's chief executive, Ali al-Malki, put the 1986 loss at "less than 5 million Bahraini dinars" (\$13.3 million), after a 1985 profit of 13 million dinars. He attributed the decline to the recession caused by slumping oil prices as well as price discounting among airlines.

Gulf Air's plan to lay off 550 workers, or 10 percent of the work force, has stirred protest here. A special board meeting has been set for Saturday to discuss the issue.

Mr. Malki said the layoffs would save 4 million dinars, but this would only reduce operating losses in 1987.

Gulf Air is owned by Bahrain, Qatar, Oman and the emirate of Abu Dhabi.

BUSINESS PEOPLE

# De Larosière in Running for French Bank Post

*International Herald Tribune*

The search is on for a governor of the Bank of France to replace Michel Camdessus, who was elected managing director of the International Monetary Fund this month.

According to sources in Paris, there are at least two candidates for the central bank post, including Jacques de Larosière, whom Mr. Camdessus is replacing at the IMF. Mr. de Larosière, 57, has headed the IMF, which is based in Washington, for the last eight years.

Speculation that France was planning for the two men to exchange jobs led to some initial opposition to Mr. Camdessus's IMF candidacy among committee members that the job should not be regarded as a French preserve.

Another possible candidate to head the Bank of France is Daniel Lebeque, who has been director of the French Treasury since 1984 and who, at 43, would bring an even more youthful flavor to the bank than did Mr. Camdessus, 10 years his senior.

J.F. Rothchild, Untermyer, Towbin Holdings said in New York that Thomas I. Untermyer and A. Robert Towbin would receive a total of more than \$15 million under the

terms of their previously announced agreement to resign. They decided to leave after losing a board vote Dec. 12 over the direction and management of the firm.

Mr. Untermyer, who had been chairman and chief executive of the investment banking house, will receive \$1.67 million over a two-year period, and be paid \$7.98 million for his 613,979 shares in the company, or \$13 a share.

The firm, which has said it is likely to change its name next year to reflect the departures, agreed to pay Mr. Towbin, who had been a vice chairman, \$1.34 million over two years and \$5.59 million for his 429,787 shares.

Dillon, Read & Co., the U.S. investment banking firm, and its British affiliate, Dillon, Read Ltd., have announced the appointment of Christopher Kemball as a managing director of Dillon, Read & Co. and as executive managing director of Dillon, Read Ltd. Before joining Dillon Read, Mr. Kemball was a director of Kleinwort Benson Ltd. and vice chairman of its U.S. holding company. He will be based in London.

Mitsubishi Trust Finance (Asia) Ltd. announced that Takao Kikukawa has been appointed director and general manager of the

## New York Fed Names Opel as Its Chairman

NEW YORK — The Federal Reserve Bank of New York has appointed John R. Opel chairman of its board for 1987.

Mr. Opel, former chairman of International Business Machines Corp., succeeds John Brademas, president of New York University, who has completed his fourth one-year term as chairman. He will remain a Class C director until 1989. Virginia Dwyer, former senior vice president at American Telephone & Telegraph Co., was named deputy chairman.

Lynch Capital Markets, will replace Charles Rickenhauser, who resigned in April to practice law.

Black & Decker Corp. has named Nolan D. Archibald, its president and chief executive officer, to the additional post of chairman. He will fill the vacancy left by the retirement of Laurence J. Farley in November.

KLM Royal Dutch Airlines has named Pieter Borw as managing director of its management team, effective Sept. 1, 1987. Mr. Borw is now vice president and area manager of KLM-USA. The airline said it had appointed L.J. van Ameyden as deputy president of the management team.

Trans-Canada Resources Ltd. said in Calgary, Alberta, that R.A. MacDonald had been elected chairman and M.R. Reynolds president and chief executive officer. Mr. Reynolds succeeded Mr. MacDonald, who moved to the newly established position.

J.P. Stevens & Co. has named Ward Burns, the president of the textile company, as vice chairman. Marvin B. Crow, an executive vice president, succeeded Mr. Burns as president. Mr. Burns remains the second-ranked executive under Whitney Stevens, the chairman and chief executive.

# Fermenta Audit Cuts Profit By 55%, Citing Hidden Data

STOCKHOLM — Auditors for Fermenta AB reduced the profit posted for the first eight months of 1986 by 55 percent Tuesday, saying that key financial information had been concealed by the Swedish biotechnology group's directors.

The auditors told shareholders at a meeting that transactions totaling about 500 million kronor (\$73.4 million) had been incorrectly registered in the company's books, casting doubt on the company's performance for 1986.

Shareholders also elected a new board of directors that called for a period of stability and consolidation following recent crises.

Lars Lundström, Fermenta's new deputy managing director, said that as a result of the auditors' findings, the eight-month profit after allocations and net financial items would be recorded as 139 million kronor rather than 353 million kronor, the figure originally posted in October.

The forecast of 1986 profit after allocations and net financial items was reduced to 40 million kronor from 700 million kronor, he added.

One of the auditors, Ake Danielsson, said that Fermenta's eight-month results "contained items of business that had not been transacted during the period in question."

He said that Fermenta's founder and former principal shareholder, Refaat el-Sayed, an Egyptian-born naturalized Swede, had admitted using cash from personal loans and transactions to boost the revenue and profit margins of his company.

"Refaat el-Sayed has had a dominant role and has actively run the business on his own," Mr. Danielsson said. "The board as a whole and the auditors have had information concealed from them in a wholly unacceptable way."

He said that the auditors had not decided whether they considered Mr. Sayed's financial transactions to be illegal.

Mr. Sayed defended his actions at the meeting, saying that any transactions made in his own name were for the sake of the company.

Fermenta's new chairman, Kjell Brandström, is managing director of the investment concern Industriavärd AB, which took over a 46-percent stake in the biotechnology company after Mr. Sayed was unable to pay his debts earlier this month.

COMPANY NOTES

Alaska Air Group, Inc. said that 83 percent of Horizon Air Industries Inc.'s outstanding common shares had been tendered or purchased under Alaska's \$66 million offer to acquire the regional airline. About 60 percent of Horizon's convertible preferred stock, has been tendered or purchased, it added.

Atlantic Richfield Co. said it would cut its capital spending to \$1.6 billion in 1987, a 20-percent decrease from this year's levels. It said that three-fourths of the reduction would reflect smaller outlays in Alaska, where major projects on North Slope oil fields were completed this year on schedule.

Bankamerica Corp. will close its Copenhagen branch Wednesday as part of a series of cutbacks following heavy losses, an officer of the bank said. The official said that Bank of America would conduct its Scandinavian business from London in the future.

Deutsche BP AG of Hamburg, the German subsidiary of British Petroleum Co., said it expected to post an operating profit of more than 100 million Deutsche marks (\$51.1 million) for this year, more than two and a half times its 1985 profit of 35 million DM. A spokesman said that the increase was the result of a reorganization and a cut in surplus refining capacity.

Pratt Hotel Corp. of Dallas said its Ph Acquisition Co. subsidiary

had extended its \$135-a-share offer for all of Resorts International Inc.'s class B shares to midnight Jan. 15. The original deadline was Monday. Pratt said the deadline was extended because shares representing 51 percent of Resorts' voting power had not been tendered.

Sanyo International (H.K.) Ltd. is raising a loan of 1 billion Hong Kong dollars (\$128.3 million) to finance a 500-room Ramada hotel and commercial complex in Hong Kong, the lead manager, Standard Chartered Asia Ltd., said. The 12-year loan is guaranteed by four unidentified companies in Japan.

Time Inc. said it had sold its 45-percent interest in the landmark Time-Life building for \$118 million in another cost-cutting move linked to possible takeover threats and a decline in national advertising. The purchaser of the 48-story building was its majority owner, Rockefeller Group Inc., the holding company established by the heirs of John D. Rockefeller to oversee the Rockefeller Center office complex in Manhattan.

Yamaha Motor Co. Ltd. will hold 40 percent of a \$23 million joint venture in Bangkok to manufacture 120,000 motorcycle engines annually, its local partner, Siam Yamaha Co. Ltd., said. Siam Yamaha said that production would begin in late 1988.

## MD-11: McDonnell to Launch Jet

(Continued from first finance page)

1987 to supply the engines, but would give no number.

The newest MD-11 order, one worth \$1.5 billion, was announced Monday by Alitalia, Italy's state-controlled airline.

In addition to six MD-11s, Alitalia's order comprises 10 of McDonnell Douglas's smaller MD-82 aircraft and options for four MD-11s.

McDonnell Douglas said other firm orders have been received from Scandinavian Airlines System, British Caledonian Airways, Mitsui & Co. of Japan, Dragonair, a charter company in Hong Kong, Federal Express Corp., a U.S. freight service, Guinness Peat Aviation, an Irish leasing company, Korean Air, Thai Airways and Varig of Brazil.

Federal Express is the only definite U.S. customer so far for the aircraft.


McDonnell Douglas officials said earlier that 20 firm orders, including one from a major U.S. customer, would be needed to launch the MD-11 program.

The MD-11 is a stretched version of the DC-10, with new engines, redesigned wings, an updated cockpit and more room for passengers and cargo. The plane is expected to carry 300 travelers.

In Paris, a spokesman for the Airbus consortium said it intended to push ahead with plans to build its A-340 long-range jet despite McDonnell Douglas's decision.

"Our assessment assumed that the MD-11 would be launched," the Airbus spokesman said Tuesday. He added that the consortium was still confident of being able to launch the A-340 by its target date of March 1987.

(LAT, Reuters)



# 1987

As a leading international investment bank we are looking forward to 1987's challenges.

We wish all our friends and clients another prosperous year.

Dresdner Bank

مكتبة الامن الاسلامي



Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.  
*Via The Associated Press*

1954		1953		1952		1951		1950		1949		1948		1947		1946		1945		1944		1943		1942		1941		1940		1939		1938		1937		1936		1935		1934		1933		1932		1931		1930		1929		1928		1927		1926		1925		1924		1923		1922		1921		1920		1919		1918		1917		1916		1915		1914		1913		1912		1911		1910		1909		1908		1907		1906		1905		1904		1903		1902		1901		1900		1899		1898		1897		1896		1895		1894		1893		1892		1891		1890		1889		1888		1887		1886		1885		1884		1883		1882		1881		1880		1879		1878		1877		1876		1875		1874		1873		1872		1871		1870		1869		1868		1867		1866		1865		1864		1863		1862		1861		1860		1859		1858		1857		1856		1855		1854		1853		1852		1851		1850		1849		1848		1847		1846		1845		1844		1843		1842		1841		1840		1839		1838		1837		1836		1835		1834		1833		1832		1831		1830		1829		1828		1827		1826		1825		1824		1823		1822		1821		1820		1819		1818		1817		1816		1815		1814		1813		1812		1811		1810		1809		1808		1807		1806		1805		1804		1803		1802		1801		1800		1799		1798		1797		1796		1795		1794		1793		1792		1791		1790		1789		1788		1787		1786		1785		1784		1783		1782		1781		1780		1779		1778		1777		1776		1775		1774		1773		1772		1771		1770		1769		1768		1767		1766		1765		1764		1763		1762		1761		1760		1759		1758		1757		1756		1755		1754		1753		1752		1751		1750		1749		1748		1747		1746		1745		1744		1743		1742		1741		1740		1739		1738		1737		1736		1735		1734		1733		1732		1731		1730		1729		1728		1727		1726		1725		1724		1723		1722		1721		1720		1719		1718		1717		1716		1715		1714		1713		1712		1711		1710		1709		1708		1707		1706		1705		1704		1703		1702		1701		1700		1699		1698		1697		1696		1695		1694		1693		1692		1691		1690		1689		1688		1687		1686		1685		1684		1683		1682		1681		1680		1679		1678		1677		1676		1675		1674		1673		1672		1671		1670		1669		1668		1667		1666		1665		1664		1663		1662		1661		1660		1659		1658		1657		1656		1655		1654		1653		1652		1651		1650		1649		1648		1647		1646		1645		1644		1643		1642		1641	
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**INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 30 Dec. 1984**

MENT	<b>FSC MGMT. LTD. INV. ADVISERS</b>	<b>JARDINE FLEMING, POB 76 GPO Hq KZ</b>	(w) Bondstap-issue Pr.
<b>SA</b>	S 387M		<b>SF</b>

11. REAL MANAGEMENT			12. REAL MANAGEMENT			13. REAL MANAGEMENT		
(1) A.M. Trust, S.A.	\$F	\$747.81	(1) ASC MGMT. LIT. INV. ADVISORS			(1) JARDING FLEASING, POS 28 GPO INC	\$F	\$72.60
(2) A.M. Trust, S.A. & CO. L.L.C.			(2) Ascendia Property Htg. RE, 01-23-44			(2) J.L. Curran & Co.	\$F	\$12.20
(3) Barbour	\$F	\$288.00	(3) F&C Commercial		1.65	(3) Jang Kang Trust	\$F	\$6.00
(4) Barbour	\$F	\$131.08	(4) F&C Commercial		26.95	(4) Jang Kang Trust	\$F	\$6.00
(5) Barbour	\$F	\$131.08	(5) F&C Commercial		30.32	(5) Jang Kang Trust	\$F	\$6.00
(6) Barbour	\$F	\$131.08	(6) F&C Commercial		30.32	(6) Jang Kang Trust	\$F	\$6.00
(7) Barbour	\$F	\$131.08	(7) F&C Commercial		30.32	(7) Jang Kang Trust	\$F	\$6.00
(8) Barbour	\$F	\$131.08	(8) F&C Commercial		30.32	(8) Jang Kang Trust	\$F	\$6.00
(9) Barbour	\$F	\$131.08	(9) F&C Commercial		30.32	(9) Jang Kang Trust	\$F	\$6.00
(10) Barbour	\$F	\$131.08	(10) F&C Commercial		30.32	(10) Jang Kang Trust	\$F	\$6.00
(11) Barbour	\$F	\$131.08	(11) F&C Commercial		30.32	(11) Jang Kang Trust	\$F	\$6.00
(12) Barbour	\$F	\$131.08	(12) F&C Commercial		30.32	(12) Jang Kang Trust	\$F	\$6.00
(13) Barbour	\$F	\$131.08	(13) F&C Commercial		30.32	(13) Jang Kang Trust	\$F	\$6.00
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(19) Barbour	\$F	\$131.08	(19) F&C Commercial		30.32	(19) Jang Kang Trust	\$F	\$6.00
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(100) Barbour	\$F	\$131.08	(100) F&C Commercial		30.32	(100) Jang Kang Trust	\$F	\$6.00

<b>Dollars</b>	<b>Bco Santo Spirito 93</b>	<b>6</b>
	<b>Bco Di Santa Maria 87</b>	<b>400</b>

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IN THE PARIS HERALD

*by Hebe Donsey*  
First hand reports of the giddy, voracious lives of turn-of-the-century intellectuals and the events that influenced them



Trib fashion editor, Hebe Donay has gone into the archives of the old Paris Herald (original name of today's Trib) and collected the great news stories of the turn of the century — along with glorious, gossipy tidbits, records of fabulous gals, stunning fashions, gentlemen's duels and "crazy inventions." With hundreds of excerpts of articles, delightful vignettes and 147 illustrations, this book is a vivid evocation of a period no one imagined would ever end. A great gift idea.

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1. *Chlorophyll a* and *Chlorophyll b* were determined by the method of Arar and Collins (1971) using a Shimadzu 1601 UV-Visible Spectrophotometer. The concentration of chlorophyll was expressed in  $\mu\text{g mL}^{-1}$ .



## CURRENCY MARKETS

## Dollar Ends Mixed in N.Y., Europe

Compiled by Staff From Dispatches

NEW YORK — The dollar was mixed Tuesday in New York and Europe. Dealers said it rallied after the U.S. government said the index of leading indicators, the main barometer of future economic activity, rose strongly in November, but that the rally failed to take hold.

Trading was volatile, dealers said, and too thin to serve as a guide to the underlying state of the U.S. economy because any movements were exaggerated. They added that market sentiment is negative for early 1987.

In New York, the dollar rose to 1.9475 Deutsche marks from 1.9450 on Monday; to 6.4505 French francs from 6.4405, and to 160 yen from 159.55. But it slipped to 1.6268 Swiss francs from 1.6300. The British pound gained to \$1.4695 from \$1.4680 on Monday.

The sentiment is decidedly bullish for the dollar on the expectation of a weak economy," said Earl Johnson, vice president of Chicago's Harris Bank.

Currency	1986	1987
Deutsche mark	1.9450	1.9475
French franc	6.4405	6.4505
British pound	1.4680	1.4695
Swiss franc	1.6300	1.6268
Japanese yen	160.00	160.00

Source: Reuters

He said the healthy 1.2-percent rise in the index of leading indicators, which favored the dollar, had little impact on the negative sentiment despite the slight rise that followed the release of the figures.

But dealers said this was offset by another report that new U.S. sales of single-family homes fell 2.2 percent in November.

"Unless some more good numbers follow there's talk of 1.50

German marks early in 1987," Mr. Harris said.

Dealers and analysts in Frankfurt predicted that the dollar would slide to 1.85 DM or below in the weeks following the return of most traders on Monday.

In London, the dollar closed Tuesday at 1.9458 DM, down from its opening of 1.9475 but slightly firmer than Monday's close of 1.9435. The U.S. unit ended at 159.90 yen, up from 159.05 Monday.

The pound closed at \$1.4695, up from \$1.4690 Monday.

In other European trading, the dollar was fixed at midday in Frankfurt at 1.9500 DM, up from 1.9458 Monday, and at 6.4550 French francs in Paris, up from 6.4380.

It closed at 1.6285 Swiss francs, down from 1.6295 Monday. (Reuters, AP)

## France Raises Key Rate as Franc Slumps

Reuters

PARIS — The Bank of France raised a key interest rate Tuesday to 8 1/2 percent from 7 1/2 percent after the French franc slumped to record lows against the Deutsche mark.

Affected was the seven-day repurchase rate, which sets an upper indicator for money-market rates. The intervention rate sets a floor.

The DM, which rose to a record high of about 3.31 francs at the close here Monday, slipped back to 3.3055 after the rise in the interest rate.

The mark has risen by 4 percent against the franc since the franc was devalued in the European Monetary System at the request of the newly elected French government last April. The mark is nearly 8 percent above its level at the start of 1986, when it brought 306.80 francs for 100 DM.

The franc has been damaged recently by domestic labor problems as well as dollar weakness. Transport strikes during the last two weeks and student protests earlier in the month put pressure on the currency.

The Bank of France last raised the seven-day repurchase rate on Dec. 8 — putting it at 8 1/2 percent — after street violence that was linked to protests over university reform. Soon afterward, the bank cut the rate to 7 1/2 percent.

The Bank of France sold marks both Monday and last Friday to support the franc.

Dealers said that talks this week on ending a two-week rail strike and a three-week seamen's strike could help to calm markets.

## SHIPPING: Amid Global Glut, a Freighter May Fetch More as Scrap

(Continued from first finance page)

supply of ships. But they warn that a new spree of shipbuilding could add to the existing glut of capacity, postponing any recovery even further.

"Shipowners are a bit like farmers," said Paul Woodward, an editor of *Seavard* Par East, a shipping publication. "They're forever complaining about market conditions now — but the barley will be fantastic next year."

Interviews with shipping executives and analysts suggest that several major changes are under way in the industry:

• Traditional maritime nations such as Great Britain and West Germany are losing their fleets as shipowners shift registration and management of their vessels to less expensive ports, principally in Asia.

Hong Kong has been a great beneficiary of this trend. According to some estimates, shipowners and managers in this city-state operate the third-largest merchant fleet in the world, after Japan and Greece, with 10 percent of the world's tonnage.

• Shipbuilding also is moving to the East, principally to South Korea and possibly China. Japan, now

the leading shipbuilder, is likely to continue to lose business to South Korea because the rise in the Japanese yen boosts Japanese prices.

• The relatively new field of ship management is booming, in part because banks and finance companies suddenly found themselves with ships on their hands as shipping loans soured.

• Banks are cutting back sharply on their lending for new ships. Those that are still in the business are looking much more closely at cash flow, such as income from a long-term charter, rather than the value of the ship alone.

"What is the value of a ship?" Helmut Sohlen, chairman of World-Wide Shipping Agency in Hong Kong, asked in a speech to bankers. "You might as well ask how long is a rubber band."

Indeed, major banks have lost billions of dollars in bad debts because the ship values that they relied on as security were erased by the industry recession.

The shipping slump is an international phenomenon, causing bankruptcies, unemployment and bank write-offs from Britain to Japan. But for most shipping centers, in West Germany or Norway or South Korea, for example, the dev-

astation can be absorbed by vast and diverse national economies.

Here in Hong Kong, a territory consisting of a peninsula and scores of islands, the economy is strong enough to compensate for the weakness in shipping.

But the trauma is not so easily overcome. Virtually all business is carried out within a few blocks of the harbor, and many of Hong Kong's best-known companies were shipowners.

No longer. Jardine Matheson Holdings Ltd. sold its last ships early this year. The giant Wah Kwong and Tung shipping groups have been rescued for now through agreement with creditors, but with family ownership and control significantly diluted.

Japan is widely expected to be the site of the next major round of shipping bankruptcies as creditors who have patiently cooperated for several years finally begin grabbing for assets. By some estimates, the write-offs in Japan for shipping losses could reach \$10 billion.

It may seem an odd time to buy new ships, but some of the best-known names in the business are taking advantage of the low prices to increase their fleets.

Sir Yue-Kong Pao, the Hong

Kong shipping magnate whose sense of timing is legendary, has begun buying tankers again this year, at rock-bottom prices from Korean shipyards. And Mr. Tsao, the chairman of International Maritime, says he bought a ship for \$8 million last month.

"We expect to lose \$1 million a year on it for several years," Mr. Tsao said. "But we expect the market to get better in a few years."

About 1,200 ships are on order around the world. While the new orders are a blessing to shipyards, which are finally raising their prices slightly, they are of grave concern to those in the shipping business.

"You can destroy the equilibrium very quickly," said Michael L. Smith, an executive of Wallen Shipmanagement Ltd., a Hong Kong company that is the largest ship manager in the world.

If caution restrains lenders and keeps shipowners from adding to the excess capacity, the consensus is that freight rates and ship prices will rise over the next few years. In the meantime, shipowners are hoping that corrosion and scrap yards will continue to reduce the world's shipping fleet.

## Eurobond Prices Off 1/8 to 1/2 Point

Reuters

LONDON — Eurobond prices ended easier Tuesday in extremely quiet trading. Most firms were effectively closed until Monday, dealers said.

No new issues were launched during the day and syndicate managers said they expect volume to remain minimal until next week. "With everyone away on holiday, there's no point in launching anything now," one trader said.

Prices fell between 1/8 and 1/2 point at the outset following Monday's declines on U.S. credit markets.

## Continental Revises FDIC Loss

New York Times Service

CHICAGO — Continental Illinois National Bank & Trust Co. has estimated that the Federal Deposit Insurance Corp. will lose \$1.6 billion on the troubled loans that the agency assumed as part of the \$4.5 billion federal plan to rescue the bank.

The loss projected Monday was \$340 million higher than an estimate made a year ago.

Although the figure is provisional, it indicates that the FDIC and the federal government will suffer a larger loss than originally expected in bailing out Continental, which was the nation's sixth-largest bank before it nearly collapsed in 1984.

The announcement also increases the chances that the value of Continental's original shares will be erased out under a provision of the rescue plan that takes effect if the FDIC loses more than \$800 million on the loan portfolio as of September 1989.

"Since Continental will still be transferring more loans, the ultimate loss will probably be bigger than the amount indicated today," said Ronald L. Mandel, an analyst with Faine Webber Inc.

William Isaac, the FDIC's former chairman, said that the original projections ranged from a break-even situation to a loss of as much as \$600 million.

## U.S. Tells AT&amp;T to Cut Long-Distance Rates

United Press International

WASHINGTON — The U.S. Federal Communications Commission ordered American Telephone & Telegraph Co. on Tuesday to cut long-distance rates by an average of 11 percent, effective Jan. 1, with a savings to consumers of \$2 billion next year.

AT&T is the main provider of U.S. long-distance phone service.

## MANAGER: Many Firms Post Wrong Men Abroad

(Continued from first finance page)

employees, to a single-function staff job in which he is not interested, at the same pay or a little more."

Whether based at home or abroad, foreign managers for manufacturing companies need to be skilled in improving productivity. Service companies operating abroad have a significant need for better management skills. Foreign markets usually are very different from home markets.

For example, Mr. Lindholm cited the metric system, which is widely used outside the United States. In recent years some companies have been slowly replacing the U.S. system of feet and miles with meters and kilometers.

Still another aspect that Mr. Lindholm calls critical for U.S. managers is an understanding of product-labeling regulations, which vary widely. "Skilled foreign managers should be aware of these varying regulations, and they

should think in global terms," he said.

Mr. Lindholm stressed language skills, such as a good knowledge of French and Spanish business terms, as well as the need to live in a foreign country for a few years to absorb the culture.

He suggested that parts of corporate training programs be given by the foreign managers and that foreign managers be given more recognition in the making of policy.

**Tuesday's OTC Prices**

NASDAQ prices as of 4 p.m. New York time.

Via The Associated Press

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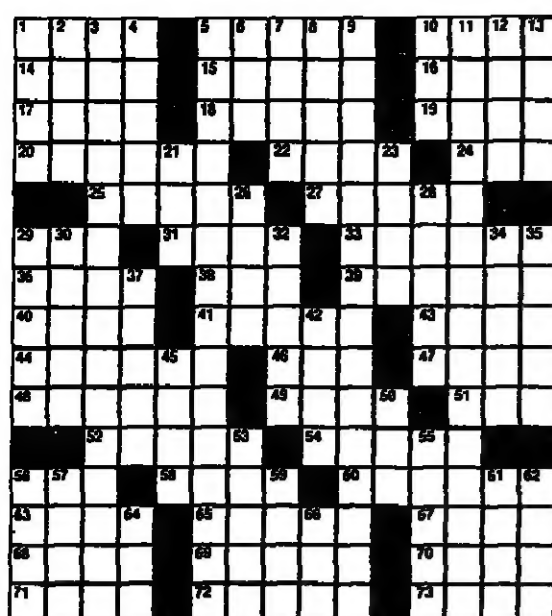
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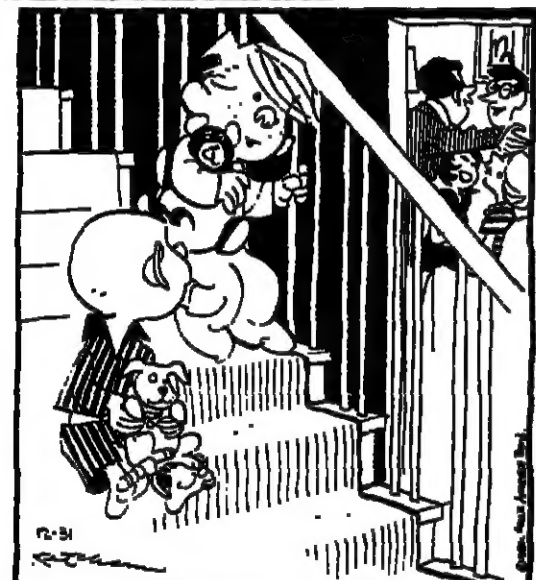
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50 arr.

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## DENNIS THE MENACE



"FATHER TIME, BABY NEW YEAR AN' SANTA CLAUS ARE SORTA LIKE GOD...NOBODY'S EVER SEEN 'EM."

## JUMBLE

Unscramble these four Jumbles. One letter to each square, to form four ordinary words.

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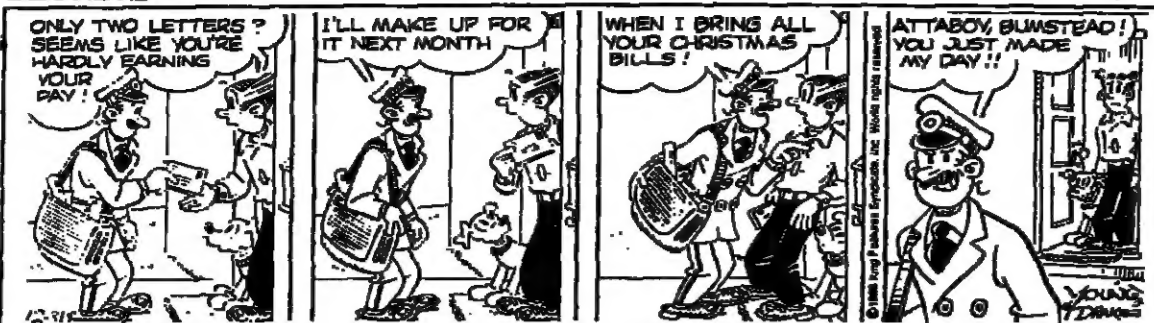
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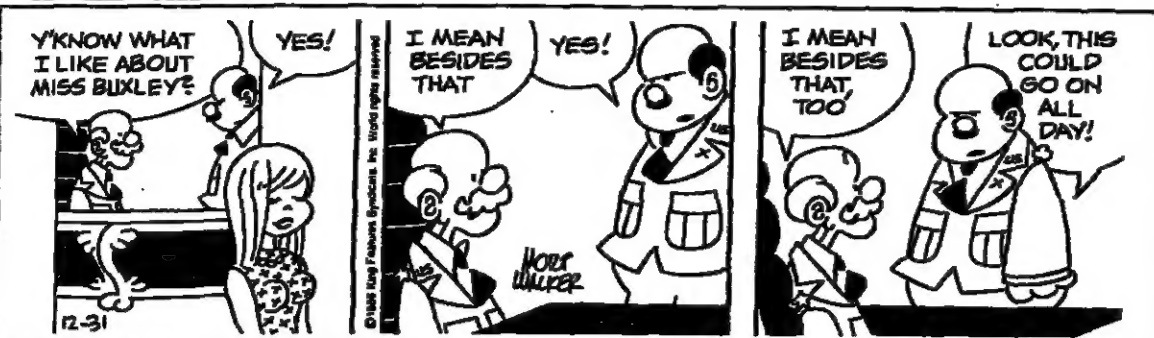
## PEANUTS



## BLONDIE



## BEETLE BAILEY



## ANDY CAPP



## WIZARD OF ID



## REX MORGAN



## JUMBLE

Unscramble these four Jumbles. One letter to each square, to form four ordinary words.

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## BOOKS

## IN THE HOLLOW OF HIS HAND

By James Purdy. 254 pages. \$16.95. Weydenfeld & Nicholson, 9 East 40th Street, New York, N.Y. 10016.

Reviewed by Hilary Masters

SINCE the publication of his short-story collection "Color of Darkness" and the novel "Malcolm" almost 30 years ago, James Purdy has excited powerful differences of opinion. Essential, sometimes cranky, dark of humor and often dense in his philosophical perspective, Purdy's fiction—the current novel is his 13th—has established his reputation as a "permanent resident" to use his description of one character, in the American school of contemporary literature.

"In the Hollow of His Hand" reaffirms these credentials as it presents a story whose subject and personae will be familiar to Purdy's fans. The plot is set in modern western Detroit, an Okla. Indian, returns from World War I to Yellow Creek, Ohio, to claim as his son Chad Coultas, sired one afternoon 14 years before while Eva Coultas was under the influence of her mother's homemade headache elixir. Chad is kidnapped by Decatur and propelled into an odyssey of trials and initiations that serve as stage sets for the author's contempt for American family life, racial attitudes and jurisprudence. Chad neither learns from nor reflects upon what befalls him but accepts the events of his journey with a kind of paralyzed awe. The novel concludes on a note of triumph.

The landscape of the novel is peopled with characters as broad as any to be found in Dickens. Lewis Coultas, Chad's supposed father, is a me-to-do-well. There are fake and real Indians, rascally lawyers and detectives, and a stock company of rapacious, sometimes smothering women. The lack of human depth in Purdy's people, their Diane Arbus grotesquerie, puts some readers off, as does his indifference to place and time.

If Purdy writes out of anger toward institutions that have orphaned the American spirit,

with anger toward material vulgarities that smother the free soul, he does offer as an artist a kind of redemption in "In the Hollow of His Hand," one that gives up a prayer for a solution, and who is to say which is the more effective? Meanwhile, those of us who cannot share his anger should at least give it some thought by reading him.

Hilary Masters, author of "Last Stand: Notes From Memory" and "Hammerhead Post," wrote this review for The Washington Post.

## BEST SELLERS

This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

Week	Rank	Title	Author	Weeks on list
1	1	IT	Stephen King	16
2	2	WHEEL WIND	James Clavell	1
3	3	RED STORM RISING	Tom Clancy	2
4	4	A TASTE FOR DEATH	by J.D. James	1
5	5	THE PRINCE OF TIDES	by Pat Conroy	1
6	6	HOLLYWOOD RUSHBANDS	by Jack	1
7	7	FLIGHT OF THE INTRUDER	by Stephen	1
8	8	FOUNDATION AND EARTH	by Isaac	1
9	9	WANDERLUST	by Danielle Steel	1
10	10	LAST OF THE BREED	by Louis L'A-	1
11	11	THE GOLDEN CUP	by Helga Peck	1
12	12	THE POLAR EXPRESS	by Chris Van	1
13	13	THROUGH A GLASS DARKLY	by Karen	1
14	14	ROGER'S VERSION	by John Updike	1
15	15	THE REET QUEEN	by Lester Kins	1
1	1	FATHERHOOD	by Bill Cosby	1
2	2	A DAY IN THE LIFE OF AMERICA	(Collins Publishers)	1
3	3	HIS WAY	by Billy Kelley	1
4	4	MCANALLY'S DOG STORIES	by Bob	1
5	5	WORD FOR WORD	by Andrew A. Rooney	1
6	6	JAMES HEPP'S DOG STORIES	by James	1
7	7	LIFE: THE FIRST FIFTY YEARS, 1936-1986	(Life Books)	1
8	8	THE CHRISTMAS KITTEN	by James	1
9	9	YOU'RE ONLY OLD ONCE	by De	1
10	10	ONE KNEE EQUALS TWO FEET	by John	1
11	11	PAT NIXON: THE UNTOLD STORY	by Julie Nixon	1
12	12	ONE MORE TIME	by Carol Berns	1
13	13	THE RECKONING	by David Haber-	1
14	14	THE STORY OF ENGLISH	by Robert	1
15	15	ROOSEVELT AT WAR: 1940-1945	by David	1
1	1	ADVICE, HOW-TO AND MISCELLANEOUS		1
2	2	THE FRUGAL GOURMET COOKS	by W.H. by	1
3	3	THE FRUGAL GOURMET	by Jeff	1
4	4	BE HAPPY YOU ARE LOVED	by Rob-	1
5	5	BETTER HOMES AND GARDENS	NEW COOK BOOK, (Meridian, pub-	1
6	6	BETTY CROCKER'S COOKBOOK	(Golden Press/Western Publishing)	1

## BRIDGE

By Alan Truscott

A USEFUL exercise for

readers of bridge columns

can be to "stand on your

head": By making North the

declarer in the diagrammed deal

four spades is clearly hopeless.

The defense will start with

two diamond winners and a

diamond ruff, after which the

declarer must work to make

nine tricks.

But with South as declarer,

which happened after he

opened with a weak no-trump,

West has no indication that a

diamond lead is best. He may,

and did in practice, bid to the

distasteful lead of the heart

king. This gave South a

chance, but there was a lot of

work to do. He won with the

ace, drew trumps in three

rounds and led the diamond

eight from the dummy.

South was planning a finesse

against the ten, which was due

to succeed, but East put up the

king, and shifted to a club.

South now had to guess the

location of the king and made

the right decision by putting

up the ace.

He led the heart six, forcing

West to duck; taking the queen

would have given the dummy

two heart tricks instead of one

since the 10-9 fall and the eight

is established.

The heart jack won the trick,

leaving this ending:

## World Stock Markets

Via Agence France-Presse Dec. 30

Closing prices in local currencies unless otherwise indicated.



## SPORTS

## At a New Year's Start, a Legendary Star Is Center-Stage Again

He brushed the ball gently down, and it to the left to confuse a defender and came face to face with the goalkeeper.

Then he let fly a medium-high left-footed shot as Santos has done in many years.

Journal do Brasil, Dec. 4, 1986

International Herald Tribune

LONDON — Goooooooooaaaaa!!! The king is back: long live the Pelé. After seven years absent from doing what he did best, he is training.

His goal, modest among 1,280 in a 22-year playing career, was a public rehearsal. Come Sunday in Brazil, Pelé, pushing 47, will play for real again.

Because he is Pelé and because it is Brazil, the promoters have built not one game but a whole veterans' tournament pitting past masters against their receding glories.

They're calling this—what else?—the Pelé Cup.

It is ridiculous and unfair. It places under burden on nostalgia, yet from 8,000 miles, I feel the distant pulse, the excitement, the Sunday's rerun (perhaps a re-embodiment) of the 1970 World Cup, legendary Brazilians will try to tease open an aging Italian defense.

Bodies willing, Pelé and Jairzinho and Carlos Alberto will later in the week see if they can still run rings around Uruguayans who down the ages have hacked Brazilian shins when the ball is spirited away.

Reflexes must have mellowed, but competitive instinct and pride in performance comprise an undying flame. Veterans matches are for old boys with youthful self-images.

Performing too soon after their prime can disfigure hard-won reputations. But Pelé is returning seven years after his exhibition stuff for the New York Cosmos, and more

than twice that since he tearfully quit international sport with the exit line. "I don't want to be thrown out when I am old and decadent."

Not yet that, the ache of withdrawal tugs at him, and he cannot

## ROB HUGHES

forever say no. "It was a great sensation," he commented after scoring twice in his warm-up at Vila Belmiro Stadium. "I felt satisfied and happy, like I had rediscovered a part of me I lost when I stopped playing."

How I'd love to start a new year by getting close to that rediscovery — and to take along two young sons who (understandably, given the arrogance of modern superstars) resist their father's silly sporting fixation. I wouldn't expect to show them

the muscular specimen Pelé once was, nor see again the astonishing mixture of animal grace, explosive reflex and cunning imagination. At 5-foot-8 and 150 pounds (1.72 meters, 68 kilograms), Pelé combined balance and strength to ride the most brutal tackles and to leap like a salmon.

From what I hear, Pelé is honing the muscles as hard as they will go in middle age through tennis and beach running. He is trusting that God will permit something of the old touch and inventiveness.

We expect too much? We always did, and so did he. He described his art as "the ability to make something out of nothing."

Yet it could not be said to have come out of nothing. Pelé's father, a crippled soccer player at 24, emptied his love and his knowledge into his eldest son. Pelé (christened Edison Arantes de Nascimento) outsmarted the kids kicking bundles of old papers or socks around the impoverished town of Três Corações, but his father Domíngos spent day after day on distant land preaching the lessons of "genius."

"You only know how to kick with your right foot," he'd say. "You lose time and rhythm. It gives your opponent time to tackle you; you're off balance. It gives the goalkeeper time to block you. Here, watch..."

And father and son perfected the techniques we thought were gifts to Pelé. Gifts — such as the bicycle kick so meticulously practiced — that Dona Celeste, his mother, refused to watch. She feared injury, and consequent poverty, would be revisited on her son.

She knew little about soccer; she knew little and everything. At the age of 12, Pelé won his first trophy. "You should have heard the people, Mama. They were shouting Pelé! Pelé! Pelé! The ones near the field threw money and the gang gave it to me because I was the artillerio!" Mama rebuked him: "You didn't earn that money by yourself. After supper go out and share it with the others."

Humility followed Pelé years later, in Senegal, when he literally made a Dakar goalkeeper weep and was so affected he went in search of the goalie to tell him privately that it was only a game.

He took the game so seriously that his own most audacious moment — shooting from midfield

during the 1970 World Cup — was born not of pure instinct but of studying tactics of goalkeepers plotting to capitalize on bad habits.

"Not bad," says Pelé, "for someone with myopia" (Santos had told him, when he was 15, that he was short-sighted).

Where he genuinely lacked vision was beyond soccer. Pepsi-Cola has bailed out his business failings, using him as a somewhat bland PR figure around the globe where kings and queens and popes and presidents have shaken his hand. Yet twice, through ill advice from agents and through too-trusting a nature, he has almost lost his fortune and his good name-in-bankruptcies.

He could cope with villains on the field, but not off it. He tried to be an actor. He was pushed as a politician, though a poll revealed that only 26 percent of Brazilians would support him for president.

Delusions of grandeur? He has, at least, "the beautiful game." In Brazil it is riddled with cheats and drugs and profiteers and frightened technicians.

The new dream is that Pelé, in

middle age, can recall a fragment of his greatness to spark a restoration of the game he played.

It will be enough if he does no harm to his image, one that ranks with Jesse Owens's and Muhammad Ali's as blacks who through sport and sport alone became huge symbols to all races.

Of all the influences on Pelé's life, I think of one unused here. In 1962, at his second World Cup, Pelé was dalt enough, patriotic enough, to try to ignore his father's disapproval and his mother's life-long warnings. He tore a groin muscle, and tried to persuade a doctor to inject a painkiller.

"As if you were a horse?" replied Dr. Hilton Gooling. "No, Pelé. I never have given a player an injection to allow him to play and I never will. You could be crippled for life. What made you think I would allow such an idiotic thing?"

A quarter of a century on, painkillers go in left, right and center. These are high-risk times, sport is a fickle and more ruthless business. There are no Pelés and not likely to be any unless there are Dr. Goolings to protect them.



Pelé in 1963

## SCOREBOARD

## Basketball

## NBA Leaders

(Through Dec. 30)

## TEAM OFFENSE

TEAM	PTS	FG	FT	AST
Dallas	108.5	55.2	78.5	28.5
Portland	107.5	54.5	77.5	27.5
L.A. Lakers	107.0	54.0	77.0	27.0
Denver	106.5	53.5	76.5	26.5
Seattle	106.0	53.0	76.0	26.0
Phoenix	105.5	52.5	75.5	25.5
San Antonio	105.0	52.0	75.0	25.0
Utah	104.5	51.5	74.5	24.5
Golden State	104.0	51.0	74.0	24.0
Los Angeles	103.5	50.5	73.5	23.5
San Diego	103.0	50.0	73.0	23.0
San Jose	102.5	49.5	72.5	22.5
New York	102.0	49.0	72.0	22.0

## TEAM DEFENSE

TEAM	PTS	FG	FT	AST
Chicago	98.5	45.5	70.5	20.5
Atlanta	98.0	45.0	70.0	20.0
Phoenix	97.5	44.5	69.5	19.5
San Antonio	97.0	44.0	69.0	19.0
New York	96.5	43.5	68.5	18.5
San Diego	96.0	43.0	68.0	18.0
San Jose	95.5	42.5	67.5	17.5
Los Angeles	95.0	42.0	67.0	17.0
Golden State	94.5	41.5	66.5	16.5
Portland	94.0	41.0	66.0	16.0
San Antonio	93.5	40.5	65.5	15.5
San Jose	93.0	40.0	65.0	15.0
San Diego	92.5	39.5	64.5	14.5
San Jose	92.0	39.0	64.0	14.0
San Diego	91.5	38.5	63.5	13.5
San Jose	91.0	38.0	63.0	13.0
San Diego	90.5	37.5	62.5	12.5
San Jose	90.0	37.0	62.0	12.0
San Diego	89.5	36.5	61.5	11.5
San Jose	89.0	36.0	61.0	11.0
San Diego	88.5	35.5	60.5	10.5
San Jose	88.0	35.0	60.0	10.0
San Diego	87.5	34.5	59.5	9.5
San Jose	87.0	34.0	59.0	9.0
San Diego	86.5	33.5	58.5	8.5
San Jose	86.0	33.0	58.0	8.0
San Diego	85.5	32.5	57.5	7.5
San Jose	85.0	32.0	57.0	7.0
San Diego	84.5	31.5	56.5	6.5
San Jose	84.0	31.0	56.0	6.0
San Diego	83.5	30.5	55.5	5.5
San Jose	83.0	30.0	55.0	5.0
San Diego	82.5	29.5	54.5	4.5
San Jose	82.0	29.0	54.0	4.0
San Diego	81.5	28.5	53.5	3.5
San Jose	81.0	28.0	53.0	3.0
San Diego	80.5	27.5	52.5	2.5
San Jose	80.0	27.0	52.0	2.0
San Diego	79.5	26.5	51.5	1.5
San Jose	79.0	26.0	51.0	1.0
San Diego	78.5	25.5	50.5	0.5
San Jose	78.0	25.0	50.0	0.0

## INDIVIDUAL

PLAYER	PTS	FG	FT	AST
Jordan, C.H.	37.5	15.5	19.5	7.5
Eastman, D.	36.5	15.0	19.0	7.0
Starks, B.	35.5	14.5	18.5	6.5
McIntyre, R.	34.5	14.0	18.0	6.0
Wilkins, A.	33.5	13.5	17.5	5.5
Vanderweide, P.R.	32.5	13.0	17.0	5.0
Al-Jabbar, L.	31.5	12.5	16.5	4.5
Al-Jabbar, L.	30.5	12.0	16.0	4.0
Al-Jabbar, L.	29.5	11.5	15.5	3.5
Al-Jabbar, L.	28.5	11.0	15.0	3.0
Al-Jabbar, L.	27.5	10.5	14.5	2.5
Al-Jabbar, L.	26.5	10.0	14.0	2.0
Al-Jabbar, L.	25.5	9.5	13.5	1.5
Al-Jabbar, L.	24.5	9.0	13.0	1.0
Al-Jabbar, L.	23.5	8.5	12.5	0.5
Al-Jabbar, L.	22.5	8.0	12.0	0.0
Al-Jabbar, L.	21.5	7.5	11.5	0.0
Al-Jabbar, L.	20.5	7.0	11.0	0.0
Al-Jabbar, L.	19.5	6.5	10.5	0.0
Al-Jabbar, L.	18.5	6.0	10.0	0.0
Al-Jabbar, L.	17.5	5.5	9.5	0.0
Al-Jabbar, L.	16.5	5.0	9.0	0.0
Al-Jabbar, L.	15.5	4.5	8.5	0.0
Al-Jabbar, L.	14.5	4.0	8.0	0.0
Al-Jabbar, L.	13.5	3.5	7.5	0.0
Al-Jabbar, L.	12.5	3.0	7.0	0.0
Al-Jabbar, L.	11.5	2.5	6.5	0.0
Al-Jabbar, L.	10.5	2.0	6.0	0.0
Al-Jabbar, L.	9.5	1.5	5.5	0.0
Al-Jabbar, L.	8.5	1.0	5.0	0.0
Al-Jabbar, L.	7.5	0.5	4.5	0.0
Al-Jabbar, L.	6.5	0.0	4.0	0.0
Al-Jabbar, L.	5.5	0.0	3.5	0.0
Al-Jabbar, L.	4.5	0.0	3.0	0.0
Al-Jabbar, L.	3.5	0.0	2.5	0.0
Al-Jabbar, L.	2.5	0.0	2.0	0.0
Al-Jabbar, L.	1.5	0.0	1.5	0.0
Al-Jabbar, L.	0.5	0.0	1.0	0.0
Al-Jabbar, L.	0.0	0.0	0.5	0.0
Al-Jabbar, L.	0.0	0.0	0.0	0.0

## GOALKEEPING

PLAYER	PTS	FG	FT	AST
Al-Jabbar, L.	18.5	7.5	12.5	3.5
Al-Jabbar, L.	17.5	7.0	12.0	3.0
Al-Jabbar, L.	16.5	6.5	11.5	2.5
Al-Jabbar, L.	15.5	6.0	11.0	2.0
Al-Jabbar, L.	14.5	5.5	10.5	1.5
Al-Jabbar, L.	13.5	5.0	10.0	1.0
Al-Jabbar, L.	12.5	4.5	9.5	0.5
Al-Jabbar, L.	11.5	4.0	9.0	0.0
Al-Jabbar, L.	10.5	3.5	8.5	0.0
Al-Jabbar, L.	9.5	3.0	8.0	0.0
Al-Jabbar, L.	8.5	2.5	7.5	0.0
Al-Jabbar, L.	7.5	2.0	7.0	0.0
Al-Jabbar, L.	6.5	1.5	6.5	0.0
Al-Jabbar, L.	5.5	1.0	6.0	0.0
Al-Jabbar, L.	4.5	0.5	5.5	0.0
Al-Jabbar, L.	3.5	0.0	5.0	0.0
Al-Jabbar, L.	2.5	0.0	4.5	0.0
Al-Jabbar, L.	1.5	0.0	4.0	0.0
Al-Jabbar, L.	0.5	0.0	3.5	0.0
Al-Jabbar, L.	0.0	0.0	3.0	0.0
Al-Jabbar, L.	0.0	0.0	2.5	0.0
Al-Jabbar, L.	0.0	0.0	2.0	0.0
Al-Jabbar, L.	0.0	0.0	1.5	0.0
Al-Jabbar, L.	0.0	0.0	1.0	0.0
Al-Jabbar, L.	0.0	0.0	0.5	0.0
Al-Jabbar, L.	0.0	0.0	0.0	0.0

## NHL Leaders

PLAYER	PTS	FG	FT	AST
Al-Jabbar, L.	18.5	7.5	12.5	3.5
Al-Jabbar, L.	17.5	7.0	12.0	3.0
Al-Jabbar, L.	16.5	6.5	11.5	2.5
Al-Jabbar, L.	15.5	6.0	11.0	2.0
Al-Jabbar, L.	14.5	5.5	10.5	1.5
Al-Jabbar, L.	13.5	5.0	10.0	1.0
Al-Jabbar, L.	12.5	4.5	9.5	0.5
Al-Jabbar, L.	11.5	4.0	9.0	0.0
Al-Jabbar, L.	10.5	3.5	8.5	0.0
Al-Jabbar, L.	9.5	3.0	8.0	0.0
Al-Jabbar, L.	8.5	2.5	7.5	0.0
Al-Jabbar, L.	7.5	2.0	7.0	0.0
Al-Jabbar, L.	6.5	1.5	6.5	0.0
Al-Jabbar, L.	5.5	1.0	6.0	0.0
Al-Jabbar, L.	4.5	0.5	5.5	0.0
Al-Jabbar, L.	3.5	0.0	5.0	0.0
Al-Jabbar, L.	2.5	0.0	4.5	0.0
Al-Jabbar, L.	1.5	0.0	4.0	0.0
Al-Jabbar, L.	0.5	0.0	3.5	0.0
Al-Jabbar, L.	0.0	0.0	3.0	0.0
Al-Jabbar, L.	0.0	0.0	2.5	0.0
Al-Jabbar, L.	0.0	0.0	2.0	0.0
Al-Jabbar, L.	0.0	0.0	1.5	0.0
Al-Jabbar, L.	0.0	0.0	1.0	0.0
Al-Jabbar, L.	0.0	0.0	0.5	0.0
Al-Jabbar, L.	0.0	0.0	0.0	0.0

## GOALKEEPING

Hayward	
Ray	
Montreal (2)	
Gonzalez	
Montreal	
Savigny	
Quebec (8)	
Liut	
Weeks	
Portland (1)	
Keene	
Portland	
Bojars	
Boston (1)	
Hussey	
Smith	



## OBSERVER

## Those Tiresome Details

By Russell Baker

NEW YORK — My name's Hudge. I was details man at the White House. Had the job through five presidencies. It's not political, just a housekeeping job, like being White House barber. All you do is keep track of details. This leads to some funny experiences.

Like President Reagan. They'd never let you see him. First time I tried they said, "Where do you think you're going?"

"I'm Hudge, White House details man," said I. "I've got to get these details to the president."

They almost died laughing. When they recovered they said they didn't like having Reagan bothered by details, so why didn't I take an eight-year vacation.

After that I laid low except on details that really worried me, like when the president agreed to try buttering up the ayatollah. Soon as I saw that, right to the Oval Office I went and ran into a bunch of White House heavyweights.

"Cheer up, Hudge. It's morning in America," one of them said while buttering the officer door.

"It's so good going to be Monday morning in America if I don't get this detail to the president," said I.

He said what detail. I showed it to him. It was the history of the last year of Carter's presidency.

That was the year Carter got beaten by Reagan who said, by golly, if he was president the country could be its sweet potato with burning the American flag, holding Americans hostage and calling the U.S. the "Great Satan."

"Details, details," said the doorkeeper. "We can't bother the president with details." I said, I thought before Reagan tried using secret diplomacy on the ayatollah, he'd want to know that the last president who tried diplomacy on the ayatollah had come to an unhappy ending named Ronald Reagan.

"Stand tall, Hudge," said the doorkeeper, "and go away."

Back at the office I tried reaching the president by phone. Not a chance, said an official voice. "Just tell him," I said, "that the man who beat President Carter in 1980 couldn't have done it half as easily

if he'd acted like a pal to the ayatollah."

"I'm not here to burden the president with details," said the official voice hanging up.

They were a funny bunch. For example, one time I discovered this lieutenant colonel in the White House basement with a Swiss bank account. No kidding. And it's got millions in it.

Right to the Oval Office I went. There was the usual stone wall of big-picture men and the usual laughter when I said I "absolutely have to see the president."

"Nobody, with the exception of me, absolutely has to see the president," Hudge, said a man standing tall between me and the door to the Oval Office.

I told the bunch of them I laid vital information and what it was. "A lieutenant colonel in the basement?" said one.

"With millions of dollars?" said a second.

"And a Swiss bank account?" said a third.

"Hudge," said the chief doorkeeper, "I can't believe you'd come here to tell the president something as silly as that."

Well, it certainly struck me as a detail that most presidents would want to know. I'm positive if Lyndon Johnson had had a lieutenant colonel in the basement with a Swiss bank account and I hadn't told him about it, he would have called me in, wept on my shoulder, asked why I didn't love him anymore, fired me and refused to speak to me for the next two weeks until he'd rehired me.

Those Reagan bozos were odd, though. The doorkeeper said what made me think Reagan would be interested in knowing there was a lieutenant colonel in the basement with a Swiss bank account.

As he kicked me out, the man who got rid of people who tried to bother the president with details said to the doorkeeper, "Imagine having a Swiss bank account. I spent his time worrying about lieutenant colonels in the basement with Swiss bank accounts," and they all went "Ha ha."

New York Times Service

## Harrison Ford: A Comfortable Hero

By Paul Acanasio

Washington Post Service

LOS ANGELES — You can imagine some casting agent years ago looking at Harrison Ford and saying, "Look, fella, you're very pleasant and all, but why on earth do you want to become an actor?"

To which Harrison Ford says, today, "Well, I couldn't think of anything else to do, and it occurred to me that it was a great life being an actor — going to exciting, exotic places, meeting interesting and different people, challenging yourself with something new. It seemed a great life. And I was right. It is."

Well, there were such casting agents. As had happened to Jack Nicholson, Ford had trouble getting work when he first went to Hollywood, or more precisely, good work. He made his film debut as a bellhop in something called "Dead Heat on a Merry-Go-Round." Then television.

Came the day he said goodbye to the acting business and became a carpenter. "Being a carpenter gave me the opportunity to pick and choose among the few things that were being offered to me at that time," Ford says. "No matter how few parts were being offered to me, there were still some that were better than others. And by having another way of making food money, I was able to begin to choose. I think that's what I began to take control over my own career."

One of those roles was Bob Falfa, the nasty bar tender of "American Graffiti." In his own words, Ford made a vivid impression, but the tiny part didn't exactly break open his career. George Lucas, who directed "Graffiti," remembered Ford for his next picture, "Star Wars," only when he nearly tripped over him while he was doing carpentry work for Francis Coppola.

There had been a couple of small parts before Han Solo. Coppola, who regarded himself as Lucas's patron, had cast Ford as Martin Stett, the assistant to the director in "The Conversation." Ford took Stett, a tiny but important part, and amplified it



Harrison Ford as the inventor Allie Fox in "The Mosquito Coast."

with a homosexual undertone. "There was no explanation for why the character did what he did without something like that as a motivation," Ford recalls. "Fortunately, Coppola agreed and was willing to expand on that idea, to suggest to Dean Tavoularis, the art director, that he make some changes to the set, which was supposed to be my office, to reflect this different character."

When Ford sits down to build a character, he relies heavily on physical detail — what he calls "indications of character." Ford gets a lot of mileage, for example, out of the prop he uses. The straw cowboy hat in "American Graffiti," the fedora, leather jacket and bullwhip of Indiana Jones, or the butch haircut he wears in "Blade Runner" become more than mere details — they seem to flow through him.

You see this once again in "The Mosquito Coast," in which he plays Allie Fox, a Yankee inventor who gets lost in his own megalomania — in little things like the glasses that are too small for his face, or a T-shirt that reads, "Go F\*\*\* the Canyon."

What you see, too, is the meticulous way that Ford, as he changes characters, changes the way he moves. "Allie, if you watch, I think you'll see that he moves differently to how I move, that there's a kind of loose jointed abstraction; he's not in touch with his body as much as I normally am. It's either half a step behind him, or half a step ahead of him."

"Indiana Jones moved smoothly, elegantly if you will," says Ford, who recently signed up for a third Indy film. "This was also a self-assured person, but a person more in control of himself than Allie Fox."

Ford is able to make such slight touches detour because, essentially, he's such an appealing presence. His looks are handsome in an ordinary, comfortable way.

Ford's chief asset, though, is a kind of practical intelligence, an imaginative grasp of character, and one mark of the directors he has worked with is that they have made good use of it. Many of the scenes we most remember from Ford's movies, in fact, sprang

from his own ideas or from a spontaneous exchange.

For example, in "Raiders of the Lost Ark," the scene that brings the house down occurs when Indy, having survived an elaborate chase through the catacombs, is confronted by a swordsman whipping through a flashy routine with a scimitar. With a look of infinite fatigue and disgust, Indy simply pulls out his .45 and blows him away.

The script had called for another fight scene. Why did Ford think the other reaction more appropriate?

"Up, it was appropriate because we'd already been three months shooting in Tunisia, and I had terrible dysentery," he says, smiling slyly. "I wanted to get out of there. And it would have taken three days to shoot a fight with that guy."

The screen writer Melissa Matheson, who wrote Ford a small part in "E.T." (he was to play Elliott's schoolmaster, but it was cut), became Ford's second wife in 1983. He met his first wife, Mary, at Ripon College, from which he flunked out three days

## PEOPLE

## 'Exorcist' Author Loses Best-Seller-Listing Suit

The author of a book that was left off The New York Times best-seller list can't sue the paper for damages, the California Supreme Court ruled Monday in dismissing a \$3 million suit by William Peter Blatty. Blatty, whose previous works had included "The Exorcist," sued The Times for its omission of his novel "Legion" from its fiction best-seller list of 15 books until September 1983, when it appeared for one week at the bottom of the list. He contended that the newspaper, which promoted its list as a reflection of sales at 2,000 bookstores in the United States, knew or should have known that his book was among the top sellers and had a duty to list it. The omission of the book cost him at least \$3 million in prospective book sales and movie rights, Blatty said.

The Lone Ranger's famous silver bullets, six-shooters and fancy gun belt are the apparent victims of that scourge of modern travelers — lost luggage. Clayton Moore, 73, best known for playing the masked man in the 1950s television series, returned home to Malibu, California, from a benefit in Houston Sunday, but his luggage did not. The actor told Malibu sheriff's deputies that two Colt .45 pistols, a \$5,000 gun belt, two costumes and 50 silver bullets engraved with "The Lone Ranger" were among property valued at \$20,000 in the missing luggage. Moore said that, luckily, he carried his mask and cowboy hat onto the plane with him.

Mark Thatcher, 33, son of Prime Minister Margaret Thatcher, will marry Diane Burghill, 26, of Garland, Texas, in London on St. Valentine's Day. Her parents, Theodore and Lois Burghill, announced. Thatcher is in the auto business, and his prospective father-in-law, runs car dealerships in Garland, a Dallas suburb, and Pittsburg, Texas.

King Birendra of Nepal celebrated his 42d birthday Monday with a show of generosity. He freed 202 prisoners, gave government workers a \$3 raise and decorated two Sherpa guides who climbed Mount Everest.

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## REAL ESTATE TO RENT/LEASE

## PARIS AREA FURNISHED

EXCEPTIONAL NEAR RIVER TOWER

Direct Rental

All charges included. Example: monthly rates: 25 sq. m. studio (2 persons) \$1000. 35 sq. m. studio (2 persons) \$1200. 45 sq. m. studio (2 persons) \$1400. 55 sq. m. studio (2 persons) \$1600. 65 sq. m. studio (2 persons) \$1800. 75 sq. m. studio (2 persons) \$2000. 85 sq. m. studio (2 persons) \$2200. 95 sq. m. studio (2 persons) \$2400. 105 sq. m. studio (2 persons) \$2600. 115 sq. m. studio (2 persons) \$2800. 125 sq. m. studio (2 persons) \$3000. 135 sq. m. studio (2 persons) \$3200. 145 sq. m. studio (2 persons) \$3400. 155 sq. m. studio (2 persons) \$3600. 165 sq. m. studio (2 persons) \$3800. 175 sq. m. studio (2 persons) \$4000. 185 sq. m. studio (2 persons) \$4200. 195 sq. m. studio (2 persons) \$4400. 205 sq. m. studio (2 persons) \$4600. 215 sq. m. studio (2 persons) \$4800. 225 sq. m. studio (2 persons) \$5000. 235 sq. m. studio (2 persons) \$5200. 245 sq. m. studio (2 persons) \$5400. 255 sq. m. studio (2 persons) \$5600. 265 sq. m. studio (2 persons) \$5800. 275 sq. m. studio (2 persons) \$6000. 285 sq. m. studio (2 persons) \$6200. 295 sq. m. studio (2 persons) \$6400. 305 sq. m. studio (2 persons) \$6600. 315 sq. m. studio (2 persons) \$6800. 325 sq. m. studio (2 persons) \$7000. 335 sq. m. studio (2 persons) \$7200. 345 sq. m. studio (2 persons) \$7400. 355 sq. m. studio (2 persons) \$7600. 365 sq. m. studio (2 persons) \$7800. 375 sq. m. studio (2 persons) \$8000. 385 sq. m. studio (2 persons) \$8200. 395 sq. m. studio (2 persons) \$8400. 405 sq. m. studio (2 persons) \$8600. 415 sq. m. studio (2 persons) \$8800. 425 sq. m. studio (2 persons) \$9000. 435 sq. m. studio (2 persons) \$9200. 445 sq. m. studio (2 persons) \$9400. 455 sq. m. studio (2 persons) \$9600. 465 sq. m. studio (2 persons) \$9800. 475 sq. m. studio (2 persons) \$10000. 485 sq. m. studio (2 persons) \$10200. 495 sq. m. studio (2 persons) \$10400. 505 sq. m. studio (2 persons) \$10600. 515 sq. m. studio (2 persons) \$10800. 525 sq. m. studio (2 persons) \$11000. 535 sq. m. studio (2 persons) \$11200. 545 sq. m. studio (2 persons) \$11400. 555 sq. m. studio (2 persons) \$11600. 565 sq. m. studio (2 persons) \$11800. 575 sq. m. studio (2 persons) \$12000. 585 sq. m. studio (2 persons) \$12200. 595 sq. m. studio (2 persons) \$12400. 605 sq. m. studio (2 persons) \$12600. 615 sq. m. studio (2 persons) \$12800. 625 sq. m. studio (2 persons) \$13000. 635 sq. m. studio (2 persons) \$13200. 645 sq. m. studio (2 persons) \$13400. 655 sq. m. studio (2 persons) \$13600. 665 sq. m. studio (2 persons) \$13800. 675 sq. m. studio (2 persons) \$14000. 685 sq. m. studio (2 persons) \$14200. 695 sq. m. studio (2 persons) \$14400. 705 sq. m. studio (2 persons) \$14600. 715 sq. m. studio (2 persons) \$14800. 725 sq. m. studio (2 persons) \$15000. 735 sq. m. studio (2 persons) \$15200. 745 sq. m. studio (2 persons) \$15400. 755 sq. m. studio (2 persons) \$15600. 765 sq. m. studio (2 persons) \$15800. 775 sq. m. studio (2 persons) \$16000. 785 sq. m. studio (2 persons) \$16200. 795 sq. m. studio (2 persons) \$16400. 805 sq. m. studio (2 persons) \$16600. 815 sq. m. studio (2 persons) \$16800. 825 sq. m. studio (2 persons) \$17000. 835 sq. m. studio (2 persons) \$17200. 845 sq. m. studio (2 persons) \$17400. 855 sq. m. studio (2 persons) \$17600. 865 sq. m. studio (2 persons) \$17800. 875 sq. m. studio (2 persons) \$18000. 885 sq. m. studio (2 persons) \$18200. 895 sq. m. studio (2 persons) \$18400. 905 sq. m. studio (2 persons) \$18600. 915 sq. m. studio (2 persons) \$18800. 925 sq. m. studio (2 persons) \$19000. 935 sq. m. studio (2 persons) \$19200. 945 sq. m. studio (2 persons) \$19400. 955 sq. m. studio (2 persons) \$19600. 965 sq. m. studio (2 persons) \$19800. 975 sq. m. studio (2 persons) \$20000. 985 sq. m. studio (2 persons) \$20200. 995 sq. m. studio (2 persons) \$20400. 1005 sq. m. studio (2 persons) \$20600. 1015 sq. m. studio (2 persons) \$20800. 1025 sq. m. studio (2 persons) \$21000. 1035 sq. m. studio (2 persons) \$21200. 1045 sq. m. studio (2 persons) \$21400. 1055 sq. m. studio (2 persons) \$21600. 1065 sq. m. studio (2 persons) \$21800. 1075 sq. m. studio (2 persons) \$22000. 1085 sq. m. studio (2 persons) \$22200. 1095 sq. m. studio (2 persons) \$22400. 1105 sq. m. studio (2 persons) \$22600. 1115 sq. m. studio (2 persons) \$22800. 1125 sq. m. studio (2 persons) \$23000. 1135 sq. m. studio (2 persons) \$23200. 1145 sq. m. studio (2 persons) \$23400. 1155 sq. m. studio (2 persons) \$23600. 1165 sq. m. studio (2 persons) \$23800. 1175 sq. m. studio (2 persons) \$24000. 1185 sq. m. studio (2 persons) \$24200. 1195 sq. m. studio (2 persons) \$24400. 1205 sq. m. studio (2 persons) \$24600. 1215 sq. m. studio (2 persons) \$24800. 1225 sq. m. studio (2 persons) \$25000. 1235 sq. m. studio (2 persons) \$25200. 1245 sq. m. studio (2 persons) \$25400. 1255 sq. m. studio (2 persons) \$25600. 1265 sq. m. studio (2 persons) \$25800. 1275 sq. m. studio (2 persons) \$26000. 1285 sq. m. studio (2 persons) \$26200. 1295 sq. m. studio (2 persons) \$26400. 1305 sq. m. studio (2 persons) \$26600. 1315 sq. m. studio (2 persons) \$26800. 1325 sq. m. studio (2 persons) \$27000. 1335 sq. m. studio (2 persons) \$27200. 1345 sq. m. studio (2 persons) \$27400. 1355 sq. m. studio (2 persons) \$27600. 1365 sq. m. studio (2 persons) \$27800. 1375 sq. m. studio (2 persons) \$28000. 1385 sq. m. studio (2 persons) \$28200. 1395 sq. m. studio (2 persons) \$28400. 1405 sq. m. studio (2 persons) \$28600. 1415 sq. m. studio (2 persons) \$28800. 1425 sq. m. studio (2 persons) \$29000. 1435 sq. m. studio (2 persons) \$29200. 1445 sq. m. studio (2 persons) \$29400. 1455 sq. m. studio (2 persons) \$29600. 1465 sq. m. studio (2 persons) \$29800. 1475 sq. m. studio (2 persons) \$30000. 1485 sq. m. studio (2 persons) \$30200. 1495 sq. m. studio (2 persons) \$30400. 1505 sq. m. studio (2 persons) \$30600. 1515 sq. m. studio (2 persons) \$30800. 1525 sq. m. studio (2 persons) \$31000. 1535 sq. m. studio (2 persons) \$31200. 1545 sq. m. studio (2 persons) \$31400. 1555 sq. m. studio (2 persons) \$31600. 1565 sq. m. studio (2 persons) \$31800. 1575 sq. m. studio (2 persons) \$32000. 1585 sq. m. studio (2 persons) \$32200. 1595 sq. m. studio (2 persons) \$32400. 1605 sq. m. studio (2 persons) \$32600. 1615 sq. m. studio (2 persons) \$32800. 1625 sq. m. studio (2 persons) \$33000. 1635 sq. m. studio (2 persons) \$33200. 1645 sq. m. studio (2 persons) \$33400. 1655 sq. m. studio (2 persons) \$33600. 1665 sq. m. studio (2 persons) \$33800. 1675 sq. m. studio (2 persons) \$34000. 1685 sq. m. studio (2 persons) \$34200. 1695 sq. m. studio (2 persons) \$34400. 1705 sq. m. studio (2 persons) \$34600. 1715 sq. m. studio (2 persons) \$34800. 1725 sq. m. studio (2 persons) \$35000. 1735 sq. m. studio (2 persons) \$35200. 1745 sq. m. studio (2 persons) \$35400. 1755 sq. m. studio (2 persons) \$35600. 1765 sq. m. studio (2 persons) \$35800. 1775 sq. m. studio (2 persons) \$36000. 1785 sq. m. studio (2 persons) \$36200. 1795 sq. m. studio (2 persons) \$36400. 1805 sq. m. studio (2 persons) \$36600. 1815 sq. m. studio (2 persons) \$36800. 1825 sq. m. studio (2 persons) \$37000. 1835 sq. m. studio (2 persons) \$37200. 1845 sq. m. studio (2 persons) \$37400. 1855 sq. m. studio (2 persons) \$37600. 1865 sq. m. studio (2 persons) \$37800. 1875 sq. m. studio (2 persons) \$38000. 1885 sq. m. studio (2 persons) \$38200. 1895 sq. m. studio (2 persons) \$38400. 1905 sq. m. studio (2 persons) \$38600. 1915 sq. m. studio (2 persons) \$38800. 1925 sq. m. studio (2 persons) \$39000. 1935 sq. m. studio (2 persons) \$39200. 1945 sq. m. studio (2 persons) \$39400. 1955 sq. m. studio (2 persons) \$39600. 1965 sq. m. studio (2 persons) \$39800. 1975 sq. m. studio (2 persons) \$40000. 1985 sq. m. studio (2 persons) \$40200. 1995 sq. m. studio (2 persons) \$40400. 2005 sq. m. studio (2 persons) \$40600. 2015 sq. m. studio (2 persons) \$40800. 2025 sq. m. studio (2 persons) \$41000. 2035 sq. m. studio (2 persons) \$41200. 2045 sq. m. studio (2 persons) \$41400. 2055 sq. m. studio (2 persons) \$41600. 2065 sq. m. studio (2 persons) \$41800. 2075 sq. m. studio (2 persons) \$42000. 2085 sq. m. studio (2 persons) \$42200. 2095 sq. m. studio (2 persons) \$42400. 2105 sq. m. studio (2 persons) \$42600. 2115 sq. m. studio (2 persons) \$42800. 2125 sq. m. studio (2 persons) \$43000. 2135 sq. m. studio (2 persons) \$43200. 2145 sq. m. studio (2 persons) \$43400. 2155 sq. m. studio (2 persons) \$43600. 2165 sq. m. studio (2 persons) \$43800. 2175 sq. m. studio (2 persons) \$44000. 2185 sq. m. studio (2 persons) \$44200. 2195 sq. m. studio (2 persons) \$44400. 2205 sq. m. studio (2 persons) \$44600. 2215 sq. m. studio (2 persons) \$44800. 2225 sq. m. studio (2 persons) \$45